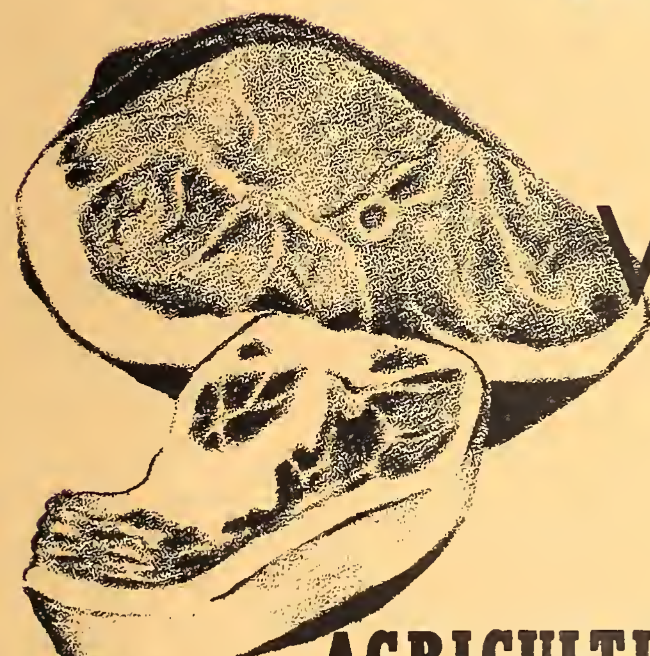
Ag 4 Am #9

MEAT and

MEAT ANIMALS in World War Two



by
Grover J. Sims

AGRICULTURE MONOGRAPH NO. 9

Bureau of Agricultural Economics
United States Department of Agriculture
February, 1951

WAR RECORDS MONOGRAPHS

The War Records Project of the United States Department of Agriculture, assigned to the Bureau of Agricultural Economics in 1943, is part of a Government-wide project, initiated by President Roosevelt and coordinated by the Bureau of the Budget, to record the history of the Government's activities in World War II. The objectives of the Departmental project have been to collect, organize, and preserve the basic records of wartime administration and to prepare histories of the major war programs.

To supplement the studies of major programs a series of monographs was outlined to present in greater detail the wartime changes in various sectors of agriculture. Heretofore these supplementary accounts have been processed as War Records Monographs and issued either by the Bureau of Agricultural Economics or by other agencies in this Department.

No. 1 - Farm Machinery and Equipment,
by Erling Hole. 22 pp. April 1946.

No. 2 - Soil Conservation During the War,
by George W. Collier. 25 pp. March 1946.

No. 3 - Sugar During World War II,
by Roy A. Ballinger. 33 pp. June 1946.

No. 4 - War Food Order 135, Veterans' Preference for New Farm Machinery and Equipment,
by F. M. Johnson. 15 pp. March 1947.

No. 5 - Acquisition and Use of Land for Military and War Production Purposes, World War II,
by Alvin T. M. Lee. 115 pp. August 1947.

No. 6 - Fats and Oils in World War II: Production and Price-supporting Programs,
by Robert M. Walsh. 30 pp. October 1947.

No. 7 - Wool During World War II,
by John W. Klein. 104 pp. May 1948.

Other monographs in this series are being issued as Agriculture Monographs, published by the Department of Agriculture.

No. 1 - Agricultural Wage Stabilization During World War II,
by Arthur J. Holmaas. 140 pp. June 1950.

No. 3 - Citrus Fruit During World War II,
by Ben H. Pubols. 77 pp. June 1950.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

MEAT AND MEAT ANIMALS IN WORLD WAR II

By Grover J. Sims
Production and Marketing Administration

CONTENTS

GPO—O—BAE 470

TRENDS IN PRODUCTION OF MEAT ANIMALS AND IN CONSUMPTION OF MEAT

Trends in Production

Production of meat animals in the United States at the outbreak of the war in Europe had recovered from the effects of the droughts of 1934 and 1936, when production was sharply reduced, and it was at a level slightly higher than in predrought years. Total numbers of livestock increased markedly during the early years of the war to reach a peak at the beginning of 1944--the highest number on record. Grain-consuming animal units on farms at the first of 1944 numbered 173 million compared with the average for 1935-39 of 123 million. The largest number on hand during World War I was 140 million. As reserves of feed grains had largely been depleted, production of livestock could not be maintained at the peak wartime level and in 1944 it began to trend downward.

Cattle numbers, which had declined from 1934 through 1937, began to increase in 1938 from the low of 65 million head. In 1938, the increase was small, but through 1942 it gained momentum rapidly and reached 5.2 million head for that year. The increase was somewhat smaller the next year, and after a slight further gain in 1944, numbers were at an all-time high of almost 86 million on January 1, 1945. The marked increase in cattle numbers in the early war years was fostered by better-than-average weather for crops and pastures and by a marked increase in demand for beef.

From the low level of 62.5 million head in 1937, annual pig crops increased each year except 1940 to the record of 122 million in 1943. The 1944 crop was sharply reduced, but it was still at the comparatively high level of 87 million head. The total pig crop of 1945 was about equal to that of 1944, and the 1946 and 1947 crops were only moderately smaller. Record production of hogs during the war years was encouraged by the Government price-support program which began in 1941, and was made possible by the large supplies of feed grains accumulated before the war and the large production of feed grains in almost each year during the war. Although prices of hogs were restricted by price ceilings, they rose to near-record high levels before price ceilings were removed.

Sheep numbers, which were at a comparatively high level of 51.3 million at the beginning of 1939, increased further in the following 3 years. Total numbers on farms and ranches at the beginning of 1942 were estimated at 56.2 million head. A sharp liquidation of breeding sheep occurred in 1942 and continued through 1949. At the beginning of 1950, the total number of sheep on farms was 30.8 million or 45 percent less than the 1942 peak. Liquidation of sheep numbers was brought about by the scarcity and the high cost of labor for handling sheep, the higher returns from competing livestock and crop enterprises than from lambs and wool, and the uncertainty on the part of producers as to future prices for wool because of the accumulation of wool stocks in the United States and the other principal wool-producing countries of the world. The Department of Agriculture bought most of the wool produced in the United States during 1943-47 to support prices for domestic producers. 1/ But prices of wool were low compared with prices of most farm products, particularly livestock and other livestock products (5).

Farm production of cattle, sheep, and hogs, which increased steadily in almost every year from 28.6 billion pounds, live weight, in 1925 to the then record high in 1933 of 33.8 billion, dropped to a low of 26.2 billion in 1935. Beginning a year after the drought of 1936, production increased sharply, and in 1939 it was moderately higher than in 1933. With increased production of hogs and increased numbers of breeding sheep and cattle, live-weight production of meat animals increased markedly from 1939 to 1943. However, because of the large reduction in numbers of pigs raised, net live-weight production of hogs dropped from an all-time high of 25.4 billion pounds in 1943 to 20.6 billion in 1944. Production of sheep and lambs also was down in 1944 and, despite increased production of cattle and calves, total production of meat animals dropped from the peak level of 46.6 billion pounds in 1943 to 42.2 billion pounds in 1944. Live-weight farm production of meat animals averaged 40.5 billion pounds in 1940-44, compared with 29.7 billion pounds in 1935-39 and 30.2 billion in 1926-30.

Because of the rapid increase in production of hogs in the early years of the war and the steady increase in cattle numbers, new records for production of meat were set each year from 1940 to 1944. Production of all meats, which averaged 16.2 billion pounds dressed weight in 1935-39, increased 19.6 billion in 1941 and established a record high in 1944 of 25.2 billion. Output dropped to 23.7 billion pounds in 1945, reflecting a 20-percent decline in production of pork. In both 1946 and 1947 total production of meat was around 23 billion pounds dressed weight.

Record production of meat during the war years was partly a result of an accumulation of grain under the ever-normal granary program before the war, and partly a result of increased efficiency in production of feed grains and livestock, together with favorable

---

1/ War Food Order 50, effective April 25, 1943 (18,8:5131).

growing conditions. Yields of corn per acre in the Corn Belt increased 10 to 20 percent from the time of the introduction of hybrid seed corn until the end of the war. Improved varieties of oats and grain sorghums also increased yields of these crops.

In an effort to hold down costs of production, livestock producers have been reducing death losses, have been feeding better rations, and have been putting into effect other improved production practices. Over the years these improved practices have resulted in the marketing of hogs, cattle, and lambs at younger ages, and more pigs and calves have been produced in relation to numbers of breeding animals. Hence, it is now possible to market a larger tonnage of livestock from fewer breeding stock. There is little evidence to indicate that live-weight production of sheep and lambs per breeding ewe has increased appreciably in the last quarter century, in contrast to the definite increases in production per cow and per sow. However, the quantity of wool produced per sheep shorn has steadily increased.

There has been a sharp upward trend in the number of pigs saved per litter since 1924, when records were first available. The number of calves produced per 100 cows has continued a steady increase. But no trend toward a greater percentage lamb crop is apparent since 1924.

From 1924 to 1948, the average number of pigs saved per sow farrowing in the spring season increased for the country as a whole at the rate of 0.036 per year, or 1 per litter in 27 years. During that period, the rate of increase in the number of pigs per litter saved in the West North Central States was even more marked--1 per litter in 22 years. From 1924 to 1948, the rate of increase in the number of fall pigs saved per litter was almost as great as the increase for the spring season.

For the country as a whole, each 100 cows on hand January 1 produced 74 calves on the average in 1924, 78 in 1930, 84 in 1940, and 85 in 1949. During 1941-46, the number of calves born per 100 cows on hand January 1 ranged from 80 to 88. The number of lambs saved per 100 ewes 1 year and older on January 1 averaged 87 in 1924, 85 in 1930, 87 in 1940, and 87 in 1949. During 1941-46, the average number saved per 100 breeding ewes by years ranged from a high of 90 to a low of 83.

Trends in Consumption of Meat

Increased Demand for United States Meat Supplies.-- The war brought about a strong demand for United States meat supplies. Large quantities of meat were required for feeding our armed forces and, with the beginning of the lend-lease program in 1941, for export.

The trend in exports of meat from the United States after World War I was downward. Exports reached a very low level in the 5-year period preceding 1940. Exports, principally pork, from the United States in this period were chiefly to the United Kingdom, Germany, and other North European nations. After World War II broke out, shortages of shipping and increasing requirements for meat by the American armed forces in Australia and by other Allied armies in the Pacific reduced the supply of meat available to the United Kingdom from Australia and New Zealand. Under these conditions, demand increased for meat for export from Canada, the United States, and Argentina to the United Kingdom. Demand for export from the United States rose further as shipments to Russia began in 1941. Before World War II, Russia imported only small quantities of meat from the United States. Exports and shipments of meat from the United States in 1942-45, mostly to the United Kingdom and the USSR, averaged 1,638 million pounds (dressed weight) annually, or 7 percent of production. In 1935-39, exports from the United States, including shipments to United States territories, averaged 198 million pounds and accounted for only 1 percent of production.

The United Kingdom, the British armed services, British colonies and dominions, the USSR, the Netherlands Army, French North Africa, and French West Africa received lend-lease meat from the United States. In 1944, nearly 59 percent of the total lend-lease shipments of meat went to the United Kingdom, the British armed services, and British colonies and dominions; nearly 41 percent was shipped to the USSR. The remainder--only a fraction of 1 percent--was sent to other countries. From 1941 through 1944, shipments of meat under the lend-lease program totaled approximately 5 billion pounds, actual weight. As much of this was canned, it was equivalent to more than 7 billion pounds carcass weight.

The lend-lease program of shipments of food and other materials to Allies of the United States during the war was ended by Presidential announcement August 21, 1945. After the end of the lend-lease program, shipments of meat continued to those European countries which had formerly received lend-lease aid, through direct sales to those countries by the United States Government.

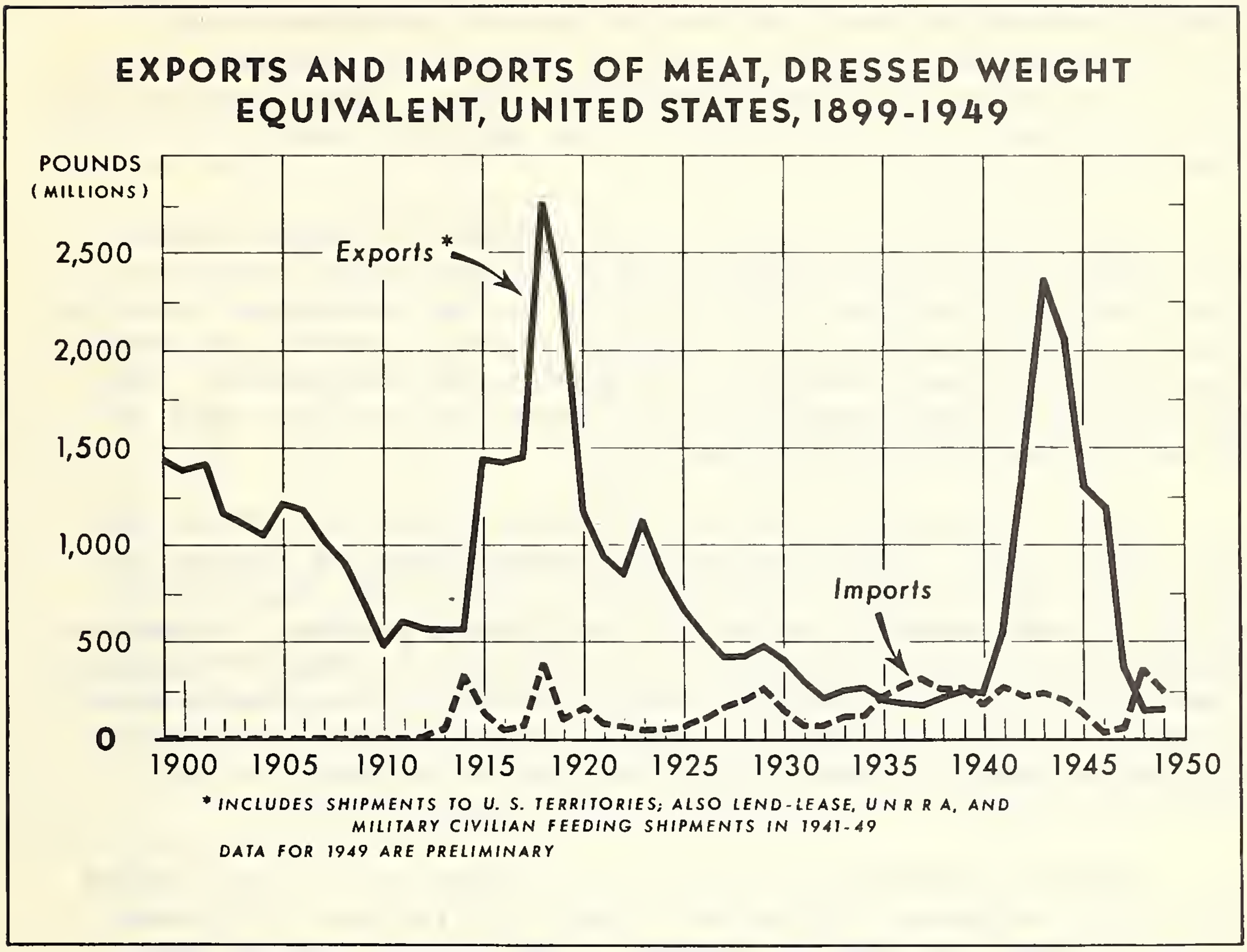


Figure 1.-- Demand for United States meat for export was unusually strong during World War II as during World War I. Exports increased sharply after lend-lease shipments began in 1941 and continued large until the end of that program in 1945. They were very large in 1946, when shipments were made under the UNRRA program. After 1946, however, they declined to a low level because of high prices for meat in the United States and shortages of dollars in most of the principal meat-importing countries of Europe.

United States imports of meat were fairly large during the early years of the war. Most of the meat imported was used by the United States armed forces.

Our armed forces in the Pacific received substantial quantities of meat from Australia, New Zealand, and India through reverse lend-lease. From the beginning of the lend-lease program through December 1944, according to statistics of the Foreign Economic Administration, Australia supplied 319 million pounds of red meat to American armed forces. New Zealand supplied 317 million pounds. Meat received from India under lend-lease, including fish and poultry, totaled 31 million pounds.

The United Nations Relief and Rehabilitation Administration shipped about 250 million pounds of meat (dressed basis) from the United States in 1945 for distribution in the war-devastated countries of Europe. These supplies were originally obtained by the Department of Agriculture or were transferred to UNRRA from army stocks. Shipments of meat by UNRRA from the United States in the first half of 1946 were around 325 million pounds.

Imports of meat by the United States during each of the war years, except 1941, did not exceed the average level of imports in 1935-39, and most of that imported was for use by the armed forces. Most of the meat imported was canned beef from Argentina. Through policies established by the Combined Food Board, the United Kingdom, on behalf of the United Nations, bought most of the exportable surplus of meat from South America, Canada, Australia, and New Zealand. Embargoes on export of meat animals and meat from Canada to the United States were in force during most of the war period.

Military purchases of meat by the United States rose sharply after 1941. Purchases totaled more than 2 billion pounds (dressed-meat basis) from the domestic market in 1942, almost 3.4 billion pounds in 1943, and reached a peak of 4.3 billion in 1944. Meat bought by the armed forces in 1944 averaged 24 percent of United States production under Federal inspection. In that year, purchases of beef by the armed forces accounted for 33 percent of inspected production; pork 20 percent; and lamb and mutton 13 percent.

Domestic Supplies of Meat Large During War.-- During 1935-39, civilian supplies of meat were lower on a per capita basis than they had been for many years. This had resulted mainly from the small slaughter of livestock following the droughts of the middle thirties. Demand for meat was also relatively low. In 1935-39, consumption of meat per person averaged only 126 pounds, per year, whereas during the years 1925-29 it averaged 134 pounds (wholesale dressed weight).

Table 1.-- Purchases of meat from domestic supplies by the military and other war agencies, dressed-meat basis, 1941-47

Year	Purchases					Purchases as percentages of federally inspected production				
	Beef	Veal	Lamb and mutton	Pork excluding lard	Total	Beef	Veal	Lamb and mutton	Pork excluding lard	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Percent	Percent	Percent	Percent	Percent
1941	236	26	13	173	448	4.1	4.3	1.7	2.7	3.3
1942	950	65	49	949	2,013	15.0	9.7	5.6	12.5	13.0
1943	1,770	84	132	1,371	3,357	29.6	14.1	13.8	14.7	19.9
1944	2,211	111	118	1,846	4,286	33.2	12.0	13.3	19.5	23.9
1945	2,381	112	94	1,460	4,047	32.9	13.6	10.3	22.9	26.3
1946	544	49	30	295	918	9.6	7.6	3.5	4.4	6.7
1947	386	34	22	230	672	5.1	3.8	3.1	3.2	4.1

Based upon purchase reports from the armed forces, Veterans Administration, War Shipping Administration, military post exchanges, Navy contract schools, and Public Health Service Marine Hospitals, converted to dressed-meat basis by P.M.A.; data for 1942-46 include an estimate for meat bought by small military establishments not included in reported totals. Exclude purchases of meat in other countries but include imported meat purchased by the military (20, pp. 152-59).

Despite large requirements for meat by the armed forces and for export, civilian per capita consumption of meats in the United States during all of the war years was maintained at a higher level than in most of the 1930's. In fact, civilian per capita consumption in 1944 reached 153.5 pounds, the greatest since 1909. It was almost as large during 1946. Demand for meat by civilians exceeded the supply at controlled prices in 1942 and the gap between supplies and demand widened in the following 3 years under price controls as consumer incomes rose. Point rationing of meat became necessary early in 1943. Controls on civilian distribution followed, and meat allocations and set-asides for Government procurement were developed. The principal objectives of these controls were to distribute existing supplies of meat, to assure needed quantities for the armed forces and other Government organizations (Veterans Administration and War Shipping Administration, for example), and to aid procurement for shipment through lend-lease.

Table 2.-- Per capita civilian consumption of meats, dressed basis, average 1935-39, annual 1941-47

Year	Per capita consumption: Total meat	Beef: Quantity	Beef: Percentage of total meat	Veal: Quantity	Veal: Percentage of total meat	Lamb and mutton: Quantity	Lamb and mutton: Percentage of total meat	Pork excluding lard: Quantity	Pork excluding lard: Percentage of total meat
	Pounds	Pounds	Percent	Pounds	Percent	Pounds	Percent	Pounds	Percent
Average 1935-39	126.2	55.2	44	8.1	6	6.8	5	56.1	44
1941	142.8	60.5	42	7.6	5	6.8	5	67.9	48
1942	139.5	60.8	44	8.2	6	7.2	5	63.3	45
1943	146.0	52.9	36	8.2	6	6.4	4	78.5	54
1944	153.5	55.3	36	12.4	8	6.6	4	79.2	52
1945	144.4	59.0	41	11.8	8	7.3	5	66.3	46
1946	153.4	61.3	40	9.9	6	6.6	4	75.6	50
1947	155.0	69.1	45	10.7	7	5.4	3	69.8	45

During 1940-42, consumption of meat averaged around 140 pounds per person. Although production was stepped up during the war, the increasing needs of our armed forces and our allies kept down supplies for civilian consumption. The 1942 output of 21.9 billion pounds was 2.3 billion pounds higher than that of 1941; half of this increase was in pork. Military takings in 1942 amounted to about 2 billion pounds; other Government purchases totaled 1.6 billion pounds. About 104 million pounds were exported through commercial channels to foreign countries and our territories. Ceiling prices, placed on meats in March 1942, gave rise to many problems in regional distribution. Civilian supplies fell below increased civilian demand early in 1942, when military and lend-lease takings accelerated. Some attempts were made at voluntary restriction of consumption, to offset rising prices and poor distribution of available supplies as well as to increase supplies for war purposes, but in the main these efforts were unsuccessful. A slaughter-restriction order was put into effect October 1, 1942 which limited deliveries of meat by slaughterers to civilians and thereby increased deliveries to the Government. This order, however, was not entirely effective in providing adequate quantities of meat for Government purchase, and an additional order requiring specific percentages of meat produced in federally inspected plants to be set aside for the Government was put into effect a few months later.

Production of meat increased still further in 1943 reaching 24.5 billion pounds. Military takings that year totaled 3.4 billion pounds, of which 1.9 billion were beef and veal. Other Government purchases totaled 2.4 billion pounds. The first set-aside order was announced late in March. Although it was taken off after 2 weeks of operation to avoid interference with the beginning of rationing, it was reinstituted in June. The slaughter quotas, started under the meat restriction order, were in operation until September. They were designed to strengthen the set-asides, and to prevent increased operations by nonfederally inspected slaughterers and a reduction in meat supplies available for the armed forces and our Allies. In the last quarter of 1943, output increased markedly because of the slaughter of the record large spring pig crop.

Meat rationing was instituted March 29, 1943, and contributed materially to more equitable distribution, particularly for areas that depended mainly on federally inspected slaughter. Only meats slaughtered under Federal inspection can enter into interstate commerce. Civilian supplies from these sources were directly affected by Government procurement.

A new record in meat production was reached in 1944. Military takings were the largest for any year, but other Government purchases were materially less than in 1943. Government-owned stocks were cut in half, despite the prospects for a smaller output in 1945 and larger requirements. Consumption of meat averaged 154 pounds per person in 1944, the greatest since 1909. If supplies for civilians had been sufficient for the demand at the established ceiling prices, it appears likely that per capita consumption might have reached 165 to 170 pounds, even though these prices were about 30 percent above those of 1935-39. Civilian supplies were very large during the first 4 months of 1944, and ration points were lowered to permit consumers to make larger purchases. All meats, except beef roasts and steaks, had point values at zero in May and June 1944. Civilian supplies were particularly large during that period because of the large output and the lack of adequate storage space and shipping facilities. In July 1944, the ration points required to buy the better grades and cuts of lamb were increased and in mid-August they were raised for most of the popular pork cuts. Beef was short of demand during most of the year. The large supplies of meat were mainly pork. Hog slaughter established a new record but the armed forces took a smaller proportion of pork than beef. By the fourth quarter, the effect of the considerably reduced 1944 spring pig crop was reflected in smaller supplies of pork. With relaxation of restrictions on civilian consumption, commercial stocks in cold storage were reduced 330 million pounds during the year. Consumption of beef per person averaged about 5 percent greater in 1944 than in 1943. Much more veal was available for civilians in 1944. Relatively higher ceiling prices for veal than for beef and increased marketings of calves apparently accounted for increased production and for larger civilian supplies. Supplies of lamb and mutton continued large.

Until the last quarter of 1945, supplies of meat were a great deal shorter than in 1944, because of the decrease in output of 1.5 billion pounds from the 1944 record of 25.2 billion. Purchases for noncivilian use were smaller. In 1945, on a per capita basis, civilians consumed 144 pounds of meat (wholesale dressed weight) compared with 154 pounds in 1944. Early in 1945 slaughter of hogs dropped off and military procurement took 25 to 30 percent of the inspected supply. An additional 5 to 10 percent of the pork was purchased for shipment to our allies. As military needs were still large, exports were considerably reduced in order to maintain civilian supplies. Even so, civilian supplies during the late spring and summer were so small compared with the potential consumer demand (perhaps a fourth too small) that distribution of available supplies was spotty. To meet the problems of distribution and to assure supplies for war use, several Government actions were taken. Control Order No. 1 was instituted. It set slaughter quotas for nonfederally inspected slaughterers and required distributors to deliver civilian supplies according to the trading-area distribution in the first quarter of 1944. An enforcement campaign was waged against sales of meat above ceiling prices and without surrender of ration points. Also, the Department of Agriculture set up a certification system for certain nonfederally inspected plants to enable them to ship meat across State lines and to sell to the Government. 2/

After the end of the fighting in August 1945, the military procurement program was sharply curtailed. With the seasonal rise in output, civilian supplies increased considerably and increased exports to liberated areas were scheduled. Rationing of meats was liberalized during September and October and was ended November 28, 1945. On September 8, 1945, slaughter quotas administered by the Office of Price Administration and area distribution controls were suspended. 3/ Set-asides of beef and veal, hams, and bacon for Government purchase were taken off on August 19, and on September 2 they were taken off all other pork cuts. However, set-asides on lower grades of beef and veal and on all grades of mutton were reinstituted on October 14 to expedite Government buying of meat for shipment to liberated areas.

2/ WFO 139 (18,10:8806).

3/ For a history of livestock-slaughter controls administered by the Office of Price Administration, see Studies in Food Rationing (7,pp.315-407).

Consumption of meat by civilians in 1946 was considerably above the 1945 figure. Production in 1946 totaled around 700 million pounds less than in 1945, but noncivilian use was sharply lower. Surplus army stocks of canned meat had been turned over to UNNRA and to the Production and Marketing Administration for export in late 1945 and early 1946. This allowed continued large exports in 1946, but with reduced Government procurement.

Supplies of meat for civilians again became very short in the spring of 1946, when slaughter of livestock was sharply reduced in anticipation of the end of price controls June 30. Lapse of price controls June 30, 1946, was followed by a rush of producers to market livestock. This continued until price control was reimposed on livestock and meats around September 1. After the reinstatement of price controls, slaughter of livestock under Federal inspection reached the lowest level of record. It continued at this low level until the removal of price ceilings on October 14, 1946. Marketings of hogs, cattle, and calves for slaughter were unusually large late in the year.

Termination of price controls on meat October 14, 1946, was accompanied by the ending of consumer subsidies paid to livestock slaughterers and compulsory grading of meat by Federal graders. Export allocations were the principal wartime controls still in operation that affected meat. Slaughter controls ended June 30, 1946.

PRODUCTION AND PRICE POLICIES

Meat-Animal Goals

The United States entered the war with a stockpile of 23 million tons of feed grains which had accumulated during 1937-41 under the Ever-Normal Granary program. With these large supplies, a program for increased production of meat and other foods was announced by the USDA April 3, 1941. Support prices were announced at levels to stimulate greater production of hogs and farmers were encouraged to feed hogs to heavier weights. Because of the large feed supplies, ceiling prices were set for corn and other grains at levels which provided favorable livestock-feed price ratios for livestock producers. Congress gave the Commodity Credit Corporation authority to sell wheat for feed. The CCC also called in all loans held by farmers on 1938 and 1939 corn to encourage feeding rather than holding for a further rise in prices. Government-owned corn was promptly sold to farmers.

National goals for acreages of feed and food crops and for production of livestock were developed in the fall of 1941 for the year 1942. National Goals Committees recommended the desirable level of production for livestock and livestock products, in view of the needs for war and the resources of agriculture. The national goals were then reviewed by State goal committees and the final goals were determined.

Hog Goals.-- National goals for hogs called for increased production in 1942 and 1943. For 1942 the goal for the total pig crop was set at 105 million head, almost 20 million more than the total crop of 1941. 4/ In 1943, the goal was increased to 121 million and in that year an all-time large crop of almost 122 million was saved. More pigs were produced in the spring season than were recommended by the goal but fewer fall pigs were produced than were recommended. As the grain reserves that had accumulated before the war had been largely used up by the end of 1943, it became necessary to adjust the production of hogs to current production of feed grains. The 1944 goal for the total pig crop was reduced to 106 million head. The national goal for the spring crop of 1945 was reduced to 58 million head, 5 million less than the goal a year earlier but about 2 million greater than the number of pigs saved in the spring of 1944 when farmers failed to farrow enough sows to meet the goal.

A large production of feed grains in 1944 and the prospect of continued strong demand for pork made it advisable to set a goal for the fall pig crop of 1945 at the high level of 37 million. A goal of 87 million pigs to be saved in 1946 was tentatively established in late 1945 when the spring pig goal of 52 million was announced. This appeared to be the maximum number that could be raised, considering early prospects for feed supplies for the 1945-46 feeding year. Supplies of feed grains became scarce in 1946, and consequently a fall pig-crop goal for 1946 of 31.6 million pigs was announced at the beginning of the breeding season.

Harvest of the then record corn crop of 3.2 billion bushels and the second largest oat crop of record in 1946 entirely changed the situation for the feeding year beginning October 1, 1946. With reduced numbers of hogs, sheep, milk cows, horses, mules, and poultry, record supplies of feed grains per animal were available. Demand for pork was extremely strong and indications were that it would continue strong at least throughout the next year. The large supplies of feed grains and the high prices for hogs made it advisable to set a goal for the 1947 spring pig crop of 58 million head, 11 percent greater than the 1946 spring crop. The 1947 spring-crop goal called for the greatest production of hogs since the spring of 1944 and more than were produced in that year. The 1947 fall pig-crop goal was set at 35 million, 15 percent greater than the 31 million fall pigs saved in 1946.

4/ Official pig-crop goals were sometimes expressed as the number of sows to farrow. However, estimates of pig crops were also made.

The 1948 spring pig-crop goal was 50 million pigs. The Goal Committee indicated that this was about the maximum number of hogs that could be produced because of the below-average corn crop of 1947. The Committee also pointed out that current livestock numbers were low relative to normal feed production. It said that more than 50 million spring pigs would be required to prevent reduction of 1948 supplies of meat from below those of 1947, because of a expected reduction in cattle and lambs to be slaughtered. At that time it looked as though the demand for pork would remain strong throughout the marketing season for the crop.

An increase of at least 10 percent above 1947 in the number of sows to farrow was recommended as the goal for the 1948 fall pig crop. This would provide at least 34.4 million fall pigs if the number saved per litter equaled the average of the previous 10 years. Meat supplies were expected to decline further in 1949 but demand for meat was expected to continue strong. Farmers' intentions in March 1948, were to plant 3 percent more acres of the four feed grains than in 1947. An average corn crop in 1948 from the intended acreage would have been around 3 billion bushels, 600 million greater than in 1947. Hence, at the time the goal was recommended, the prospective supply of grain for feeding during the year that 1948 fall pigs were to be marketed was expected to be 10 to 15 percent greater per animal unit than in the previous year.

The 1949 goal for the spring pig crop was 60 million, an increase of 17 percent, or 9 million more than the number saved in the spring of 1948. If achieved, the goal would result in the largest pig crop since 1944 and the third largest of record. It was intended to help provide for an average consumption of 150 pounds of meat per person in 1949-50, compared with 145 pounds in 1948. Department of Agriculture officials stated that the record 1948 corn crop and the large crops of other feed grains would feed out a pig crop considerably greater than that asked for in the goal. The supply of feed concentrates per animal unit fed during the 1948-49 feeding year was the greatest of record and around 20 percent greater than that fed during the preceding feeding year.

Cattle Goals.-- National goals for cattle called for continued increases in slaughter through 1945 because of the current need for meat for direct war purposes and to arrest the increase in cattle numbers which began in 1938. There was some concern that a drought would severely decrease production of feeds and thereby cause a glut in cattle marketings, with accompanying economic hardships to producers. Slaughter of cattle and calves in 1942 was about equal to

Table 3.-- Goals for pig crops and actual numbers saved, United States, 1939-49

Year	Spring pig crop		Fall pig crop		Total pig crop	
	Goal	Actual	Goal	Actual	Goal	Actual 1/
	Millions	Millions	Millions	Millions	Millions	Millions
1939	---	53.2	---	33.7	---	87.0
1940	---	49.6	---	30.2	---	79.9
1941	---	49.4	---	35.6	---	85.0
1942	---	61.1	---	43.8	---	104.9
1943	70.2	74.2	50.3	47.6	120.5	121.8
1944	63.0	55.8	42.7	30.9	105.7	86.7
1945	57.6	52.2	37.0	34.6	94.6	86.8
1946	51.7	52.4	31.6	30.5	83.3	82.9
1947	58.0	52.8	35.0	31.3	93.0	84.1
1948	50.0	51.3	34.4	33.9	84.4	85.2
1949	60.0	58.4	---	37.3	---	95.7

1/ Total of unrounded figures.

Note: Official goals for hogs were sometimes expressed as the number of sows to farrow. In such cases the goals for pig crops presented here are estimates of the crop to be expected, assuming that the goal for sows to farrow was achieved and that the number of pigs saved per litter was average.

Livestock Goals With Comparison, USDA, Office of the Secretary, June 1949.

the goal of 28 million head. In 1943, slaughter fell below the goal of 30.4 million head by almost 3 million. Slaughter in 1944 of 34 million head slightly exceeded the goal. In 1945, slaughter also slightly exceeded the goal of 35 million. In 1946, it fell 3 million head below the goal. This resulted primarily from the unusual uncertainties as to future price of cattle as they were decontrolled, recontrolled, and decontrolled again in a period of 4 months. At the beginning of 1947, cattle numbers were still near the 1945 peak. The slaughter goal for 1947 was set at 34.5 million head which, if achieved, would mean a moderate decline in numbers of cattle.

In 1943, and again in 1945, several proposals were presented to bring cattle to market during the summer period of seasonally low meat supplies. One proposal was to pay farmers a subsidy during the summer months to induce marketings of cattle at that time and to even out cattle marketings throughout the year. The subsidy would have been withdrawn in the fall in order to discourage marketings. It was feared that the large prospective cattle marketings during the fall runs in 1943-45 would tax slaughter facilities, as packinghouses were having difficulty in maintaining adequate labor supplies. Inadequate labor supplies were somewhat of a problem to slaughterers and processors generally throughout the war period. Such a subsidy plan was not adopted.

Table 4.-- Slaughter goals and actual slaughter of cattle and calves and sheep and lambs, 1939-49

Year	Cattle and calves		Sheep and lambs	
	Goal	Actual	Goal	Actual
	Mil. head	Mil. head	Mil. head	Mil. head
1939	---	23.8	---	21.6
1940	---	24.0	---	21.6
1941	---	25.7	---	22.3
1942	28.0	27.8	22.9	25.6
1943	30.4	27.8	24.1	27.1
1944	33.7	34.1	22.0	25.4
1945	35.0	35.3	21.5	24.6
1946	35.0	32.0	20.0	22.8
1947	34.5	36.1	17.8	18.8
1948	32.0	1/31.8	16.6	1/17.5
1949	2/32.1	---	14.4	---

1/ Preliminary.

2/ 1948-49 fiscal year.

Note: Goals for cattle and sheep were usually expressed as numbers on farms at the beginning of the year and the figures given here are estimates of the slaughter that would be required to bring about the the desired change in numbers.

Proposed plans to get more cattle grain fed were also discussed. More feeding would have reduced supplies of beef in the fall and winter, would have increased supplies during the spring and summer, and thus would have provided more even supplies during all seasons of the year. It would also have increased the total production of beef. An effective way to encourage feeding appeared to be the setting of price ceilings for feeder cattle so that the spread between prices of feeder and fat cattle would not narrow to a point where there was not enough profit in the operation to get a large number fed. Ceilings for beef had already been set which defined fairly specific limits for prices of slaughter cattle. The strong demand for feeder stock and for lower-grade slaughter stock was expected to raise prices of feeder cattle and to result in a narrowed feeding margin. As it developed, the ceilings on beef and later on cattle maintained a fairly good margin between prices of feeder and grain-fat cattle. There was enough "give" in the price control of cattle and beef that prices of cattle, both feeder and grain-fed, generally continued to rise during the period of price controls. As a result, the number of cattle grain-fed for market in 1941-45 was at an all-time high. Profits from feeding cattle in the winter and spring feeding seasons of 1941-42 and 1942-43 were particularly large. Generally, throughout the war period, cattle feeders' operations returned a good profit despite the high costs of feeding.

Other plans were proposed to get more cattle fed in the early years of the war, when supplies of feed grains were large. Some of these proposals are outlined below but, except for the special subsidies on fed cattle, no other official action was taken to place the proposals in effect:

(1) Have the Army change its buying specifications for beef so it would buy beef of higher grade. This theoretically would have lessened demand for lower grades of cattle and strengthened demand for higher grades and would have resulted in a wider spread between prices of the lower and higher grades of cattle. It is doubtful, however, whether in fact such a plan would have increased cattle feeding materially. Demand for all types of beef under the ceilings was so strong that even had it been possible for the Army to buy the better grades of beef for all its requirements, the residual supply would still have been in strong demand and would have brought high prices; hence prices of lower-grade cattle would still have been high.

(2) Establish seasonal adjustments in ceiling prices of beef by grades. Theoretically, this would have had several advantages, but it would have been difficult, if not impossible, to administer successfully.

(3) Fix specific price ceilings on cattle by grades. This would have been equally hard to administer.

(4) Prohibit slaughter of beef steers weighing less than a minimum of, say, 700 pounds and heifers less than 600 pounds, with certain exemptions for dairy animals or possibly other classes which should be exempted. Provision would have had to be made for the slaughter of certain dairy calves and beef calves when feed supplies were not available. This proposal would have tended to lower the price of the lighter-weight feeding animals. It would greatly have increased production of beef a year or two after its inception, providing pasture and feed supplies would have allowed for the feeding of these animals to the higher market weights.

(5) Allocate market receipts of the lower grades of slaughter cattle among packers, thus leaving a number which could be bid for by feeders only. This undoubtedly would have raised protests from producers of these cattle by restricting demand for them.

(6) Subsidize cattle-feeding operations. This could have been done in several ways, including: (a) Guaranteeing the feeder against loss; (b) making a certain payment per pound of weight added, or a given payment per head gaining a minimum number of pounds; or (c) making a subsidy payment at time of slaughter on all grain-fed cattle.

One of the objectives in the wartime meat program was to discourage the feeding of cattle to extremely high finishes. To produce a maximum of beef with as little grain as possible it was desired that cattle would be slaughtered at a grade no higher than Good. The price regulations on meat were drawn up so as to encourage this objective. No separate ceiling prices were set for Prime-grade carcasses and cuts. These carcasses had the same ceiling as had the Choice grade. No beef, or other class of meat, was graded Prime during the period of price control. On the other hand, less than 1 percent of all the beef produced would grade Prime.

One result of wartime meat shortages and price controls was a marked increase in numbers of cattle fed by chain stores and livestock slaughterers. The increase in feeding was brought about by leasing feeding yards or by having cattle fed on a weight-gain or contract basis. One chain store reported that in early 1947 it had 35,000 cattle on feed. The number of slaughtering plants operated by chain groceries rose sharply during the war.

Another proposal to increase production of beef was to prohibit the slaughter of calves. It was suggested that the Government obtain young calves from dairy herds, which are usually slaughtered for veal, and feed them until weaning. If in good condition these calves could then be marketed for slaughter or transported to areas with grass or other feed for further fattening. This proposal was rejected as impracticable as it would have reduced needed milk supplies for the population. It was considered an uneconomic use of milk to feed it to calves rather than to people. It was felt that greater production of hogs would be a more practicable and economical means of obtaining greater meat production than restricting the slaughter of calves.

Sheep and Lamb Goals.-- Goals for slaughter of sheep and lambs during the war were set in order to stabilize sheep numbers. It seemed desirable that numbers should continue around the 1941 level to utilize effectively the Nation's feed resources, especially range and pasture feed, and to prevent short supplies of lamb in the postwar period which would have created a strong demand for lamb relative to the demand for other meats. However, no programs were effective in arresting the decline in sheep numbers, and slaughter of sheep and lambs in each of the years 1942-45 continued at record levels, far above the established goals. The downward trend in sheep numbers continued through 1949.

Summary of Releases Relating to Meat-Animal Goals

Date of announcement	Summary of announcement	Source
September 8, 1941	Announced a slaughter goal for hogs in 1942 of 79.3 million head, cattle and calf slaughter of 28.0 million, and sheep and lamb slaughter of 22.9 million. Announced hog support at 85 percent of parity.	Secretary Wickard Announces Program to Meet Increased Food Need, USDA press release 524.
September 8, 1941	Announced hog price support at 85 percent of parity under provisions of Section 4, Public Law 147--77th Congress.	Public Announcement with Respect to Expansion of Production of Nonbasic Agricultural Commodities, USDA press release 529-42.

Summary of Releases Relating to Meat-Animal Goals (Continued)

Date of announcement	Summary of Announcement	Source
January 16, 1942	Announced revised production goals for 1942: Hogs 83.0 million; no change in slaughter goals for cattle and sheep. Announced that corn goals were being increased by 5 million acres. Announced policy of making CCC stored wheat available for poultry and livestock feed at prices comparable with corn.	Secretary Wickard calls for Largest Farm Production in History, USDA press release 1522.
October 16, 1942	Announced 1943 goal for pigs saved of 10 percent above 105 million indicated as saved in 1942 and increase of 10 pounds in average marketing weights. Cautioned farmers to market hogs to avoid seasonal peaks in order to prevent transportation and processing problems.	Secretary Wickard Asks Hog Farmers to Increase Spring Pigs 10 percent over 1942 Record Crop, USDA press release 787.
November 27, 1942	Announced 1943 pig-crop goal of 121 million head. Called for a 10-pound increase in slaughter weights of hogs.	Secretary Wickard Steps Up '43 Hog Goals; Support Price to Average $13.25, USDA press release 1035.
November 30, 1942	Announced 1943 goal of 10,910 million pounds of beef and veal; 990 million of lamb and mutton, 13,800 million of pork, and 3,400 million of lard. A 16-percent increase in total meat output over 1942 was requested. Other key livestock figures were: cattle and calf slaughter 30.4 million head, sheep and lamb slaughter 24.1 million, hog slaughter 100 million; 1943 spring pig crop 70.2 million; 1943 fall crop 50.3 million.	Secretary Wickard Announces 1943 Food for Freedom Goals, USDA press release 1029.

Summary of Releases Relating to Meat-Animal Goals (Continued)

Date of announcement	Summary of announcement	Source
November 11, 1943	Announced goal of 10.3 million spring sows farrowing in 1944, 15 percent less than 1943, and fall farrowing goal of 6.9 million sows, 21 percent less than in 1943. Called for reduction of 5 percent in all cattle numbers, 4 percent reduction in beef cows on farms and 2 percent reduction in sheep and lambs on farms.	State Goals Meetings Pledge Record 1944 Production, OWI, USDA press release 1019.
November 15, 1944	Set 1945 spring pig goal at 57 million, fall goal at 33 million. Suggested 2.3 million head reduction in beef cattle numbers during year and a slaughter goal of 35 million cattle and calves. Recommended 50 million sheep and lambs on farms January 1, 1945 or 3 percent less than a year earlier.	WFA Announces 1945 Production Program, USDA press release 3576.
January 9, 1945	WFA Administrator Marvin Jones pointed out that farmers would need to increase spring farrowings 11 percent over indicated number to farrow reported in December pig-crop report if goal of 57.5 million head was to be reached. Announced extension of $12.50 support price for hogs to March 31, 1946.	WFA Statement on Spring Pig Goal, USDA press release 55.

Summary of Releases Relating to Meat-Animal Goals (Continued)

Date of announcement	Summary of announcement	Source
January 15, 1945	State Goals Committees revised spring pig crop upward; 96 million sows farrowing and 57,563,000 pigs saved.	Final Farm Production Goals for 1945, USDA press release 9.6 million.
April 11, 1945	Announced 1945 fall pig goal of 37 million, 18 percent more than year earlier. Announced increase in hog support price to $13.00 and extension to September 1, 1946.	Hog Support Price Raised; Larger Fall Pig Goal Announced, USDA press release 655.
October 23, 1945	Announced 1946 spring pig goal of 52 million head, about the same as 1945 spring crop. Announced reduced support price to $12.00 av., with seasonal variations for October 1946-September 1947.	Secretary Announces 1946 Spring Pig Goal and Support Price Level, USDA press release 1974.
November 30, 1945	Secretary recommended goals as follows: Spring sows farrowing...8,360,000 Spring pigs............52,000,000 Reduction in cattle and calves on farms.......1,600,000 Reduction in beef cattle on farms..............1,400,000 Recommended no change in sheep numbers.	1946 Production Goals Announced, USDA press release 2199
May 10, 1946	Fall goal of 31.5 million recommended; 10 percent less than 1945 fall crop.	USDA Announces 1946 Fall Pig Goal, USDA press release 1039.

Summary of Releases Relating to Meat-Animal Goals (Continued)

Date of announcement	Summary of announcement	Source
October 4, 1946	Goal set for 58 million spring pigs, or 9,170,000 sows farrowing. In line with increases in parity, supports for hogs raised to $15.75 for 1946-47 hog-marketing year.	1947 Spring Pig Goal and Support Level Announced, USDA press release 2196.
May 16, 1947	Goal set at 35 million fall pigs, a 15-percent increase in sows farrowing over 1946.	USDA Announces 1947 Fall Pig Goal, USDA press release 1084.
October 22, 1947	50 million spring pigs asked for. Appealed to farmers to feed hogs to lighter weights to conserve grain.	Spring Pig Goal for 1948 Announced, USDA press release 2434.
November 21, 1947	1948 goal of 7,936,000 spring sows farrowing and 50 million pigs; slaughter of 32 million cattle and calves; 6-percent reduction in total cattle numbers; 3-percent reduction in sheep and lambs on farms.	National Goals for 1948, USDA press release 2683.
May 3, 1948	Urged hog producers to increase fall pig crop by at least 10 percent over 1947 fall pig crop. Minimum of 34.4 million head.	Increase in Fall Pig Crop is Requested, USDA press release 920.
July 23, 1948	Slaughter of 32 million cattle and calves requested for fiscal year 1948-49. At least 15.5 million head of breeding cows on hand January 1, 1949, recommended. Indicated some increase in grain feeding of cattle was necessary to augment the meat supply.	First 1949 Production Goals Recommended by USDA, USDA press release 1538.

Summary of Releases Relating to Meat-Animal Goals (Continued)

Date of announcement	Summary of announcement	Source
August 4, 1948	Review of 1948 goals for hogs, cattle, sheep, and lambs in response to criticism that the Department of Agriculture had created a meat shortage by its policies in regard to livestock goals.	Background Statement on 1949 Production Goals, USDA press release 1737.
September 17, 1948	A spring pig crop of 60 million pigs requested, 17 percent more than the 1947 spring pig crop. A crop this size would be the third largest of record and largest since 1943.	USDA Calls for Record Peacetime Spring Pig Crop, USDA press release 1975.
November 30, 1948	1949 goal for stock sheep and lambs called for increased numbers as much as conditions would permit in 1949. An increase in numbers to at least 30.5 million by January 1, 1950, would be desirable.	USDA Announces Additional 1949 Production Goals, USDA press release 2503.
March 31, 1949	Goal of 9.5 million spring sows to farrow, 32 million cattle and calves to be slaughtered, not less than 15.5 million beef cows on farms and 30.5 million stock sheep and lambs on farms January 1, 1950.	Final Goals for 1949 Crops and Livestock, USDA press release 659.

It is difficult to appraise the effect of the goals in achieving desired increases or decreases in production of meat animals. Widespread publicity in regard to the goals probably had some influence on farmers' production plans. However, supplies of feed, physical facilities for production, labor supplies, current and prospective prices, and profit incentives probably were more important in determining production. Goals supplemented by a price-support program, as with hogs, probably were more effective in securing changes in production, than goals not accompanied by price support, as in the case of cattle. Goals for cattle were announced but no effective methods were evolved to implement them. Failure on the part of the Government to implement the goals with an effective program for achieving the desired production is also illustrated in the case of sheep. It was hoped that the program of publicity in connection with the goals would arrest the decline in sheep numbers in the face of an economic situation that fostered such a decline. As previously noted, numbers of sheep continued to decline throughout the period.

The goal programs had considerable merit in that economic outlook information was carried to farmers in connection with determination of State and area goals. One of the difficult problems in setting goals for cattle or sheep is that production of these animals is a long-time enterprise. Goals that consider production and demand several years in the future must be made. Estimates of future demand for meat at this advanced date are subject to wide error. If forecasts of demand are wrong, a goal might be set for increased numbers of cattle or sheep, with increased production of meat following, at a time when demand is falling off. As hogs have a shorter production cycle than either sheep or cattle, hog goals can be developed more directly in line with conditions that are likely to exist.

Increasing Hog Weights.-- Increased weights for hogs were fostered by Government purchases of cuts from heavy hogs and large quantities of lard. The Government also bought canned luncheon meat and similar products, made chiefly from heavy-weight hogs. In 1944-46, hogs were marketed at record weights. This resulted from large feed supplies, the stable level of hog prices generally at ceilings, and less than usual price differentials between heavy and medium-weight hogs under the ceilings. The tight situation as to fats and oils in 1945 and 1946 contributed to the strong demand for lard and fat cuts, thus supporting prices for heavy hogs. Because of short supplies of pork under the ceilings, slaughterers and meat dealers tended to leave more fat on pork cuts than they would customarily have done.

Fat-trim Order Proposed.-- Because of the extremely short supplies of fats and oils, it was proposed that a fat-trim order be issued by OPA requiring a minimum of fat on meat cuts. The proposed order would require removal of trimmable fat from carcasses of cattle, calves, sheep, and lambs, as well as hogs and cuts of pork. It might have required the removal of kidneys from beef carcasses and the recovery of the leaf fat by a slaughterer. It might have required all pork hams and shoulders to be skinned and defatted in the slaughterhouses. Official meat graders of the United States Department of Agriculture would have helped to enforce the order. Little pork was officially graded, however, and policing the fat-trim provisions on pork would have been difficult. Most of the fats that could be recovered under the order would have been pork fats. Issuance of the order would also have required increased prices for cuts of meat and for carcasses. Prices for fats and greases were lower than for meat. It would have been necessary to compensate for the additional labor involved in trimming. Increasing meat prices because of the reduction in waste fat would not have been a very great obstacle. More serious would have been the difficulty of getting slaughterers to adopt new practices in cutting and trimming especially as there already was a shortage of manpower in meat-packing plants.

The fat-trim order would have been in addition to price-control regulations which specified standard cutting and trimming of wholesale meat cuts. For example, OPA's wholesale pork price regulations 5/ specified that the thickness of back fat on pork loins not exceed half an inch. It specified that a skinned ham not have more than $1\frac{1}{4}$ inches of fat on any portion from which the skin had been removed. The wholesale price regulations for sausage 6/ set maximum prices for sausage and other prepared meat items which varied according to their fat content and other qualities. These provisions were incorporated in the orders to aid in uniform pricing of products of equal value and were not necessarily intended to conserve fats.

Waste Fat Salvage.-- A salvage campaign for waste fat was in operation during the war to recover grease but this did not recover the amount of fat that might have been obtained by use of a trim order. Under the salvage program, retail meat markets paid consumers for waste fats and gave red ration coupons as an additional inducement for turning them in. The red ration coupons could be used to buy meat in addition to ration book holders' regular allowances. Under

---

5/ MPR 148 (18,7:3821).

6/ MPR 389 (18,8:3903).

the salvage program, only a small part of the potential supply of waste grease was recovered and none was edible. Under the fat-trim order the increase in supplies of edible fats would have been sizable.

Wheat Feeding.--Production programs for livestock were directly related to price and production policies for livestock feeds. At the beginning of the war, supplies of the feed grains and concentrate feeds were generally abundant. Stocks of wheat were so large that programs were begun to encourage feeding of that grain. The large feed supplies in general made it expedient to develop programs that would sharply increase the output of livestock. However, by 1944 the accumulated stocks of feed grains had been used up and livestock programs had to be geared largely to our current production of the different feeds. Supplies of wheat continued large and record quantities continued to be fed until 1946, when export requirements by the United States were so large that measures had to be devised to conserve supplies, which sharply reduced the quantities available to livestock. By 1943, shortages of high-protein feeds had become somewhat of a limiting factor to the production of livestock and they continued to limit production throughout the remainder of the war period.

Record quantities of wheat were fed to livestock in 1942-46. This resulted primarily from Government sales of wheat for feeding at relatively low prices and in setting loan rates for wheat in line with prices for corn, considering the relative feeding values of the two grains. In this way, wheat could profitably be fed to livestock. Stocks of wheat reached record levels in 1942 and continued large through 1945. Educational programs were in operation early in the war to increase the quantity of wheat fed.

In 1946, the Government discouraged the feeding of wheat to livestock in order to fill export requirements for wheat and flour in famine areas. This was accomplished primarily by restricting the use of wheat in mixed feeds. Farmers were also asked to feed less wheat.

High-Protein Feeds.-- Educational programs were in operation early in the war to encourage the feeding of oilseed cake and meal to livestock. These programs were largely abandoned by 1943, as shortages of high-protein feeds developed. In the later years of the war, shortages of these feeds were a limiting factor to increased production of meat animals. Allocation of high-protein feeds to manufacturers of mixed feeds, to other users, and by geographic areas, was resorted to at various times. Western sheep and cattle producers, in particular, were unable to get all the protein supplements they wanted for winter feeding. High unit returns from sales of meat animals resulted in heavy rates of feeding of protein supplements for the country as a whole, as well as heavy feeding of other grain feeds.

Famine Emergency Programs.-- President Truman, on February 6, 1946, announced a number of emergency measures designed to speed shipments of food to Europe and other famine areas. Most of these had to do with conservation of food and feed grains. Included, however, was a directive to the Department of Agriculture to develop additional ways in which grain, then used as feed for livestock and poultry, could be conserved for use as human food. Among the proposed steps was the marketing of hogs at lighter weights and of feeding beef cattle to a moderate rather than a high degree of finish. Grain was allocated to distillers, and millers were ordered to increase extraction rates for flour as further measures to conserve grain.

In accordance with this general policy of conserving supplies of feed to enable increased shipments of wheat and flour to Europe, the United States Department of Agriculture announced on March 2, 1946, that the 50-cent per 100-pound subsidy to cattle feeders was to be terminated on June 30. This subsidy had been paid to encourage grain feeding of cattle and feeding to heavier market weights. The Department also announced that the Government was studying the advisability of lowering the ceiling price on heavier weight butcher hogs after September 1, 1946, and was considering lowering the subsidy on heavier hogs before September 1. These changes would encourage farmers to finish hogs to lighter market weights. The Department had appealed to hog producers to market hogs at lighter weights to conserve feed.

Ceiling prices on feed grains were revised sharply upward in May 1946, the first major revision since ceilings were imposed early in the war. Use restrictions on feed, later imposed, prohibited cattle feeders from buying grain feeds for fattening cattle to above the grade of Good and from feeding market hogs to weights above 240 pounds.

PRICE-SUPPORT PROGRAMS

Early in 1941, the Department of Agriculture embarked upon a program designed to assure ample supplies of food for the United States, Great Britain, and other nations resisting aggression. Under this program, production of pork was to be stimulated by support prices. The support program for hogs continued through the war. It was believed that a reasonable price for hogs during the war and for 2 or 3 years thereafter would assure a greater volume of production than would the mere likelihood of a high price during the war and the possibility of sharply reduced prices in the immediate postwar period, as happened after World War I.

In March 1941, when buying of hog products for lend-lease began, the average price of hogs at Chicago was about $7.60 per 100 pounds. On April 3, 1941, the first announcement of a support price for hogs was $9.00 per 100 pounds, Chicago basis.

Two plans to support the price of hogs were presented--the AAA plan and the Market-Purchase plan, which was finally adopted. Under the AAA plan, the Federal Government would not attempt to maintain any level of hog prices on the open market. Purchases by the Government for shipment to Great Britain were to be made simply as a market operation, and hog prices were to be determined on the basis of supplies available and on domestic and foreign demand. In order to encourage production, however, the Government was to pay to cooperators in the Agricultural Conservation Program for hogs sold by them an amount equal to the difference between the weekly average price of hogs at Chicago and $9.00. This payment was to be made only when prices at Chicago were below $9.00, and it was to be based on the week in which the farmer sold his hogs. Payments were to be made only for hogs weighing 250 pounds or more.

Under the Market-Purchase plan the Government was to guarantee to farmers a market price for hogs of approximately $9.00. Prices were to be supported near this level by Government purchases of pork and lard. Purchases were to be made in such a way as to give prices of heavy hogs greater support than prices of light hogs. In this way, the feeding of hogs to heavier weights was to be encouraged.

One important difference between the two plans should be noted. Under the AAA plan, payments were to be made to farmers at any time the Chicago average price was below $9.00. Even if hog prices averaged $10.00 during the year, there probably would be times when the average price at Chicago would be below $9.00. In these periods, payments would have to be made and the cost to the Government would be increased.

One advantage of the AAA plan was that it would have insured an immediate increase in average weights of hogs. It was questionable, however, whether the proposed method of making payments only on hogs weighing more than 250 pounds was the desirable way to bring about an increase in average weights. During all years some butcher hogs are marketed at weights in excess of 250 pounds. Therefore, under this proposal many farmers were to be paid for what they would have done without payment.

The Steagall Amendment to an Act to Extend the Life of the Commodity Credit Corporation (approved by the President on July 1, 1941) specified that the support price for "nonbasic" commodities for which the Secretary had requested expanded production by public announcement should be not less than 85 percent of parity (17,55:498). Hogs were one of these commodities.

In an October 1942, amendment to the Emergency Price Control Act of 1942 the required support price for the specified nonbasic commodities was raised to 90 percent of parity (17,56:765).7/With the parity index then at 152 the support price for hogs was equivalent to about $10.60 per 100 pounds, at Chicago. The amendment extended the period of price support for 2 years after the year in which the ending of hostilities was proclaimed.

Despite the sharp increases in 1942 in production of pork, supplies of hog products did not fill all requirements during that year. On November 27, 1942, the Secretary of Agriculture called upon farmers for a 15-percent increase in the 1943 pig crop over the large 1942 crop. At the same time, he announced that the purchasing program of the Agricultural Marketing Administration (the functions of the AMA were subsequently transferred to the War Food Administration) would be operated to insure an average price of $13.25 per 100 pounds for Good and Choice butcher hogs weighing 240 to 270 pounds through September 1944.

The support price at Chicago was increased to $13.75 per 100 pounds April 10, 1943. This increase was designed to assure farmers that possible imposition of ceiling prices on live hogs would not discourage production. In April 1943, the price of hogs was 124 percent of parity and the support level was 114 percent of parity. At that time the Department of Agriculture urged hog producers not to increase the 1943 fall pig crop by more than 15 percent above the 1942 fall crop.

The combined spring and fall pig crops in 1943 totaled 122 million head, which exceeded the 1943 production goals by about 1 million. Hog numbers were at such a high level that a further increase was not desirable, considering the prospective feed supplies and the record numbers of livestock in this country. The War Food Administration announced that if hogs were fed to normal weights,

---

7/ For further information relating to the Steagall Amendment and support prices in general see, Federal Statutory Provisions Relating to Price Support for Agricultural Commodities (8).

supplies of feed in 1944-45 could support a spring pig crop of about 61 million. Cognizant of the Nation's livestock-feed balance, the War Food Administration on September 8, 1943, announced support prices for October 1, 1944 to March 31, 1945, at the reduced level of $12.50, Chicago basis. The support weight range was set at 200 to 240 pounds, ostensibly to encourage marketings at lighter weights and to conserve grain. In November 1943, parity for hogs was $12.10 and the applicable support price of $13.75 was about 105 percent of parity.

The record large 1943 spring pig crop which was marketed in the winter of 1943-44 caused serious marketing problems. Prices of hogs dropped to the support level for support-weight barrows and gilts, and prices of sows and butcher hogs of weights above and below the support-weight range were severely discounted in price. Hogs backed up at terminal markets because of the limited slaughter capacity of packers, the result mainly of insufficient manpower. Embargoes were placed on shipment of hogs to market until accumulations at the markets had been slaughtered. South St. Paul, Sioux City, West Fargo, Peoria, and St. Louis had embargoes of this type at various times from November 1943 to March 1944. Many markets, including Chicago, issued permits to shippers which regulated the flow of hogs to the markets. The War Food Administration bought pork and lard to bolster the price of live hogs and inaugurated an orderly marketing campaign to spread marketings through the November-January marketing period. Slaughter of hogs under Federal inspection was near capacity in November, December, and January at 7.0 million, 7.6 million, and 7.8 million, respectively. Slaughter in February and March 1944 was also at a record level of 7.4 million and 7.2 million, respectively. To spread out the marketing season for 1943 spring pigs, the price-support program was broadened to include a wider weight range for butcher hogs. Adjustments under the $13.75 price-support program, Chicago basis, were as follows:

	Effective Date	Weight
(a)	September 1, 1943	200 to 270#
(b)	December 23, 1943	200 to 300#
(c)	January 27, 1944	200 to 330#
(d)	April 15, 1944	200 to 270#
(e)	May 15, 1944	180 to 270#

By widening the range of weights under the price-support program for hogs, farmers could delay marketings without fear of their hogs becoming heavier than support weights. During the period generally, hogs heavier or lighter than announced support weights were selling much below supports. Many hogs which farmers considered Good and Choice were sorted out by buyers and were bought at prices below the supports.

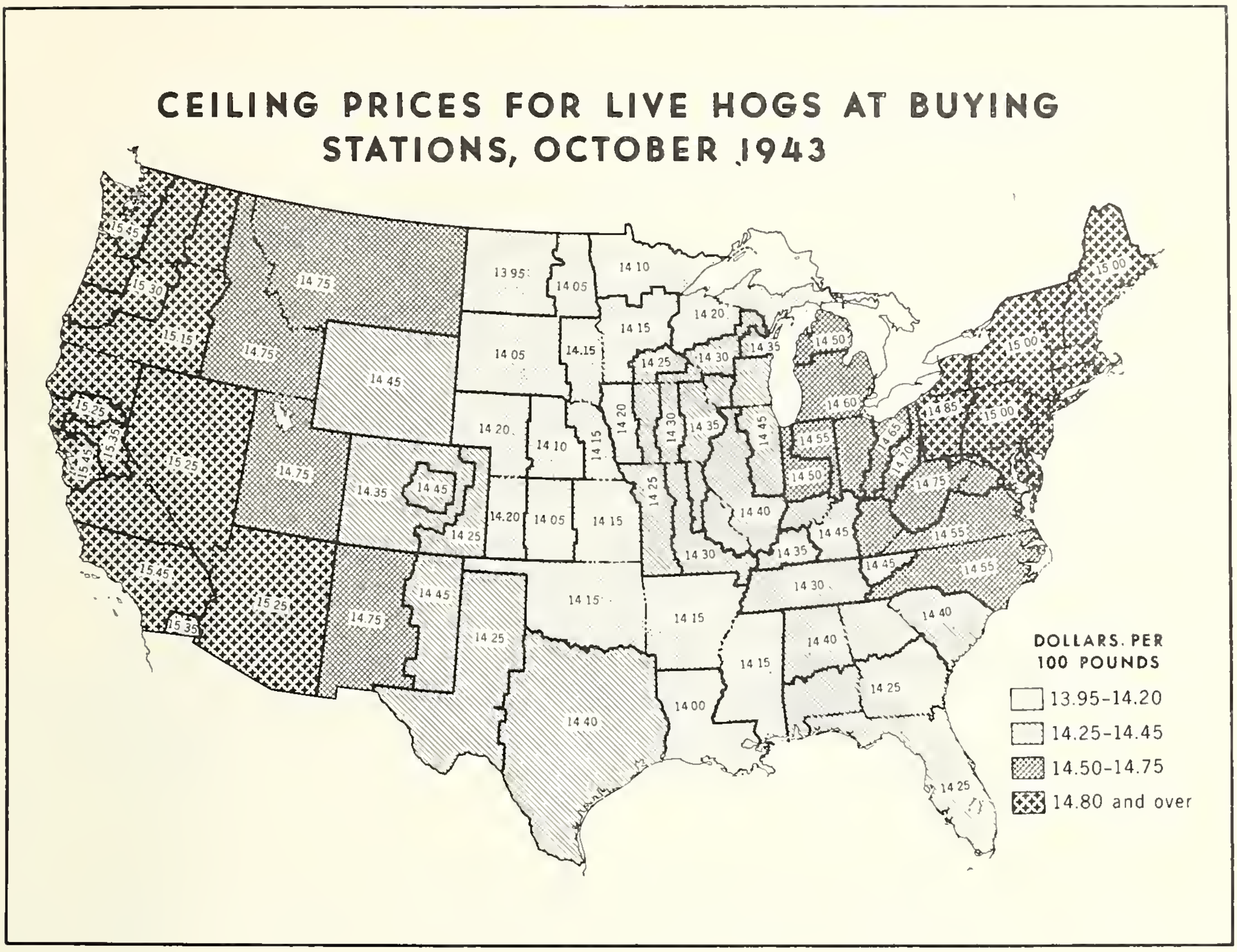


Figure 2. Hog prices fluctuated within a narrow range from March 1942, when price ceilings on hog products were first effective, to July 1946, when price controls were lifted. During most of that period hog prices averaged above supports. However, the record slaughter of hogs during the winter and spring of 1943-44 reduced average hog prices below support levels. The Government was hampered in its efforts to bolster

hog prices because of shortages of refrigerated shipping space and of cold storage space.

The removal of price controls permitted a sharp rise in hog prices to record high levels.

Note: The average prices of butcher hogs shown on this chart are for all weights and grades. They are not entirely comparable with the support prices which for earlier years are for specific weight ranges and for most years shown are for Good and Choice barrows and gilts.

After the peak run of hogs had passed in March 1944, prices of hogs rose somewhat. But marketings from the very large 1943 fall pig crop again caused hog prices to drop below the support level in late April. Prices of hogs dropped to the lowest level since early 1942. These low prices reflected large receipts at all markets, large accumulations of pork and lard in cold storage, and shortages of cold-storage space, which prevented the building up of larger stocks of meat. Thus WFA buying of pork was much reduced from the level of the previous winter. Again several stockyards embargoed shipments until hogs could be cleared from the pens. The War Food Administration froze farm sales of corn in a large part of the Corn Belt on April 25, 1944, until corn could be bought by the Government to fill essential industrial needs. This, together with a relatively small supply of corn on many farms, caused increased marketings of light-weight hogs.

In 1944, farmers reduced their pig crops 29 percent below those of 1943. A record corn crop was harvested in 1944. With the sharp reduction in numbers of hogs on farms, by early 1945 the livestock feed situation had changed from one bordering on scarcity to one of relative abundance. The smaller production of hogs in 1944 resulted from the relatively short supplies of feed in early 1944 and the low hog-corn price ratio during the year. Also, the reduced price support for hogs to $12.50, Chicago basis, announced for the period beginning October 1, 1944 contributed to the marked decrease in the size of the crop. 8/

8/ Announced September 8, 1943, and applied to 200-240 pound butcher hogs.

The large corn crop of 1944 made it desirable to offer encouragement to hog producers for larger production. On September 15, 1944, the $12.50 support price was extended from March 31 through June 30, 1945. The support-price program for November 26, 1944, through June 1945 was broadened to include hogs weighing 240 to 270 pounds as well as those from 200 to 240 pounds. 9/

Recognizing that farmers were not likely to meet the increased 1945 spring pig-crop goal, the War Food Administration announced on January 9, 1945, an extension of the $12.50 support price until March 1, 1946. The support weight range continued at 200 to 270 pounds for Good and Choice butcher hogs.

Supplies of pork became relatively short in 1945, with increased requirements by the armed forces, and lower production from the greatly reduced 1944 pig crops. To stimulate production of hogs on April 11, 1945, the support price for hogs was increased from $12.50 to $13.00, Chicago basis, and extended to September 1, 1946. A wider weight range was included under the price-support program. 10/ On May 21, 1945, the program was broadened again to provide support prices for all weights of barrows and gilts of the Good and Choice grades.

Basically, overproduction of hogs in 1943 and low production in 1944 resulted from the high hog prices in 1942-43 and the very favorable hog-feed price ratios that existed in 1942 and early 1943. Prices of hogs and feed were under price ceilings and the hog-feed price ratios became very favorable for expansion of hog production. The hog-corn price ratio, farm basis, increased from 9.2 in 1940 to 14.2 in 1941, and to 16.5 in 1942. 11/ The ratio declined to 13.6 in 1943; it was above the long-time average of 12 for most of the year. One of the most favorable hog-feed price ratios to producers on record existed in 1942. If ceiling prices of corn and other feeds had been raised in 1942, production of hogs would have been smaller in 1943 and in 1944 and 1945.

The favorable hog-corn price ratios of World War II were in sharp contrast to those of World War I, when the ratio, farm basis, was above 12.0 in only 4 months during the period August 1913 until the Armistice in November 1918. The highest monthly ratio during that period was 12.4.

9/ Announced November 16, 1944.

10/ The top-weight range was raised to 300 pounds, April 25, 1945.

11/ The hog corn-price ratio is the number of bushels of corn equal in value to 100 pounds of live hog.

Table 5.-- Prices of hogs and corn and hog-corn price ratios, World War I and World War II

World War I				World War II			
Period	Average price received by farmers 1/		Hog-corn price ratio 3/	Period	Average price received by farmers 1/		Hog-corn price ratio 3/
	Hogs per 100 pounds	Corn per bushel 2/			Hogs per 100 pounds	Corn per bushel 2/	
	Dollars	Cents			Dollars	Cents	
Average 1910-14	7.23	64.9	11.5	Average 1935-39	8.30	69.1	13.0
1915	6.47	72.2	9.1	1940	5.39	59.0	9.2
1916	8.37	76.8	11.1	1941	9.09	64.3	14.2
1917	13.89	143.3	10.2	1942	13.00	79.4	16.5
1918	16.14	150.8	10.8	1943	13.70	102.6	13.6
1919	16.39	156.3	10.6	1944	13.10	113.3	11.6
1920	12.92	141.1	9.8	1945	14.00	109.7	12.8
1921	7.63	56.8	13.6	1946	17.50	141.4	12.6

1/ Weighted average.

2/ Average price weighted by production.

3/ Simple average of monthly ratios.

A schedule of support prices of hogs during the 1946-47 hog-marketing year was announced October 23, 1945. The previously announced support of $13.00 per 100 pounds for Good and Choice barrows and gilts of all weights, Chicago basis, was extended from September 1 to September 30, 1946. The price-support schedule for the year beginning October 1, 1946, varied seasonally for the first time. Supports ranged from a low of $10.75 in December 1946, to a high of $13.25 in September 1947. The average for the 1946-47 season was about $12.00, Chicago basis. Differentials in support prices for hogs at markets and buying stations other than Chicago were the same as those set by OPA for ceilings. Seasonal variation in the prices was intended to conform to the usual pattern of seasonal hog prices and to encourage the accumulation of pork products in storage during periods of large production, if support activities became necessary.

The parity index rose sharply after mid-1946, following price decontrol actions and the announced support prices for most of 1946 were below 90 percent of parity. This did not affect the situation, however, as prices of hogs during all of this period were well above parity. On October 4, 1946, a new support-price schedule was announced for the period October 1, 1946-September 30, 1947, to replace the schedule announced the previous fall. The support price announced in October 1946 also varied seasonally. It averaged about $14.25 for the marketing year, $2.25 higher than the previously announced schedule.

Table 6.-- Weekly average support price per 100 pounds of live hogs, Chicago, October 1, 1946-March 31, 1947 1/

Effective date beginning	Support price	Effective date beginning	Support price
	Dollars		Dollars
1946		1947	
October 1	15.00	January 5	13.25
October 6	14.75	January 12	13.50
October 13	14.25	January 26	13.75
October 20	14.50	February 2	14.00
October 27	14.25	February 23	14.25
November 3	13.75	March 2	14.50
November 10	13.50		
November 17	13.25		
November 24	13.00		
December 1	12.75		
December 29	13.00		

1/ Announced October 4, 1946.

On April 16, 1947, the Department announced revised support prices for the period April-September 1947, at an average of $15.60 per 100 pounds, Chicago basis, to adjust supports to the parity level of March 15. The support price varied seasonally from $15.25 for most weeks in May and the first half of June to a high of $17.25 in most of September. This was the first price-support announcement that followed the policy of supporting prices of hogs at the beginning of the October-March marketing season on the basis of September 15 parity and supporting prices of marketings in April-September on the basis of March 15 parity (18,47:3749).

Table 7.-- Average weekly support price per 100 pounds of live hogs, Chicago, April-September 1947 1/

Effective date beginning	Support price	Effective date beginning	Support price
	Dollars		Dollars
April 1	15.75	July 6	16.25
April 6	15.50	July 13	16.50
April 27	15.25	July 20	16.75
June 15	15.50	August 10	17.00
June 22	15.75	August 31	17.25
June 29	16.00	September 28	17.00

1/ Announced April 16, 1947.

A price-support schedule for hogs for the period October 1947-March 1948 was announced October 2, 1947, at an average of around $16.15 at Chicago for the marketing season. Support prices by weeks ranged from a high of $16.75 at Chicago for the first week in October to a low of $14.50 for 4 weeks in December. At the time of the announcement, Department officials stated that they did not anticipate that the price of hogs would decline to the support level during the period covered by the price-support schedule.

On March 31, 1948, support prices were announced at an average of $16.84 for the marketing season for the 1947 fall pig crop (April-September 1948). The support prices varied seasonally from $16.50 in May to $18.50 in September, Chicago basis, for Good and Choice barrows and gilts.

During the war, price-support programs also were in operation for milk, chickens, turkeys, and eggs under provisions of the Steagall Amendment. Prices of wool were supported under authority of the Commodity Credit Corporation Charter and beginning in 1947 by The Wool Act of 1947 (public law 360, 80th Congress). No provision was made to support prices of cattle and calves or for direct supports for sheep and lambs.

Price Control 12/

Prices of meat animals and meat were controlled under the provisions of the Emergency Price Control Act of 1942 and subsequent amendments (17,56:23; 16,50,app.901). The Act authorized the establishment of maximum prices which in the discretion of the Price Administrator would be fair and equitable and would in general check "speculative and excessive price rises, price dislocations, and inflationary tendencies." Maximum prices for agricultural commodities could not be set lower than the highest of the following:

(1) 110 percent of parity (or the "comparable price") for such commodity adjusted for grade, location, and seasonal differentials.
(2) The market price for such commodity on October 1, 1941.
(3) The market price for such commodity on December 15, 1941.
(4) The average price for such commodity during the period July 1, 1919 to June 30, 1929.

Ceiling prices for pork, beef, and veal were established in conformance with these limitations early in 1942. Maximum wholesale prices for lamb were not established until prices of live lambs advanced above the July 1919-June 1929 average late in the summer of 1942.

The Emergency Price Control Act of 1942 was amended October 2, 1942. The amended Act authorized and directed the President to issue a general order stabilizing prices, wages, and salaries affecting the cost of living, on the basis of levels existing September 15, 1942. Maximum prices for agricultural commodities could not be set at a level that would result in a price to producers lower than the higher of the following: (1) The parity price or "comparable price" for such commodity adjusted for grade, location, and seasonal differentials, or (2) the highest price received by a producer for a commodity between January 1, 1942, and September 15, 1942, also adjusted for grade, location, and seasonal differentials.

12/ This section is far from a complete discussion of price controls for meat and meat animals. Price control on meat and meat animals was complete, covering all major meat items and most minor offal items (both edible and inedible). Ceiling prices were established for hogs and for cattle through the cattle-stabilization plan, which provided an overriding specific ceiling on cattle prices. No ceilings were placed on live sheep and lambs and feeding and breeding animals of each species.

Pork and Lard Price Ceilings.-- Prices of pork products at wholesale were controlled by a succession of maximum price orders in early 1942, which were completed with the establishment of specific dollars-and-cents ceiling prices on hog products by regions, effective November 1942.

Temporary Maximum Price Regulation 8, which became effective March 23, 1942, established ceilings on wholesale pork cuts and carcasses for individual slaughterers and dealers at the highest prices charged in the period March 3 to 7, 1942 (18,7:1841). An amendment to MPR 8, effective March 31, 1942, provided an alternative method of computing price ceilings based upon sellers' maximum prices during March 3 to 7, 1942, or during February 23 to 28, 1942, plus specified price additions ranging from one-fourth of a cent to 1½ cents a pound on some cured pork products (18,7:2513). To eliminate price mark-ups made before March 3 in anticipation of the price ceilings, effective April 20, 1942, prices of pork products were set at the highest prices charged during February 16 to 20, 1942, plus some additional mark-ups ranging from 1½ to 4 cents a pound for some pork products (18,7:2847). Retail price ceilings on pork went into effect in April 1942, under the General Maximum Price Regulation, freezing prices at their 1942 levels (18,7:3153). Maximum Price Regulation 8, which provided for wholesale ceilings, was replaced by regulation No. 148 May 21, 1942 (18,7:3821). This regulation did not change the general level of ceiling prices, but it reduced prices for products bought by the armed forces and the Department of Agriculture and set specific maximum prices for several pork products bought by the Government. Specific dollars-and-cents ceiling prices for wholesalers were set for all major pork cuts and products by zones in the United States, effective November 2, 1942, by Revised MPR No. 148 (18,7:8609).

Reduced ceilings on pork cuts, averaging about 2 cents a pound at the wholesale and retail level, became effective in June and early July 1943, accompanying the "roll-back" of wholesale and retail prices (18,8:7671;7682). No substantial change in the level of wholesale or retail ceiling prices on pork was made until March and April 1946, when prices were adjusted upward around 1½ percent at retail, with a corresponding increase at wholesale to compensate in part for higher wages granted workers in packinghouses. Allowable increases in wholesale ceilings on meat and lard for sale to war-procurement agencies were somewhat greater than those for sales to civilians. In September 1946, when price control was reinstated after a 2-month lapse, price ceilings were again increased.

Wholesale prices of lard, except refined lard, and of most fats and oils were frozen at the level of November 26, 1941, by OPA Price Schedule No. 53, (and revised Price Schedule No. 53) which became effective December 13, 1941 (18,6:6409; 7:1309). In January 1942, wholesale prices for unrefined lard were increased to the level of a seller's highest prices on October 1, 1941, or 111 percent of the November 26, 1941, price, to conform with requirements of the Emergency Price Control Act (18,7:81). Additional price increases were allowed February 4, 1942 (18,7:1309). The General Maximum Price Regulation, effective May 11, 1942, set prices for refined lard as well as for a number of commodities at the level of a seller's highest prices during March 1942 (18,7:3153). Revised Price Schedule No. 53 was amended June 8, 1942, to establish a more normal relationship between prices of the various kinds produced (18,7:4229). Specific dollars-and-cents ceilings were set for unrefined lard. On October 13, 1942, specific dollars-and-cents ceiling prices for lard were established at specific basing points with regional differentials (18,7:7977). Some upward adjustments in price ceilings were made. Ceiling prices for lard remained substantially unchanged until early 1946, when additional increases were granted (18,11:2504;25). Prices of prime steam lard in 1-pound cartons, wholesale, Chicago, were as follows:

Effective date major ceiling price changes	Price, per 100 pounds
	Dollars
January 2, 1942	1/ 12.75
February 4, 1942	2/ 13.12
May 11, 1942	3/ 14.38
June 8, 1942	14.50
October 13, 1942	15.55
March 11, 1946	15.80

1/ Average week ended January 3.
2/ Average week ended February 7.
3/ Average week ended May 16.

Beef and Veal Price Ceilings.-- Ceiling prices were set for beef and veal at wholesale and retail in April 1942, by the General Maximum Price Regulation, which froze prices of many commodities at their March 1942 levels (18,7:3153). Wholesale ceilings were redefined at the highest level of prices during the 2-week period March 16 to 28, 1942, effective July 13, 1942, by MPR 169 (18,7:4653). Initial measures to control prices of beef and veal did not prevent some further increases in prices, although the over-all rise in prices of beef was partially checked. The average retail price for round steak in 51 cities rose from 42 cents a pound in March 1942 to 44.7 cents a pound in December of that year. This compares with an increase of almost 2 cents a pound from December 1941 to March 1942. Prices of beef and veal rose steadily until specific dollars-and-cents ceilings at wholesale were established by grades and regions in December 1942 (18,7:10381). Prices then remained stable until the "roll-back" in June and July 1943 (18,8:7675). Only minor changes occurred in the price ceilings until March 1946, when small increases were granted to compensate in part for wage increases in the meat-packing industry (18,11:2507). A further upward revision in prices was granted in September 1946, and remained in effect for the short period that prices remained under control (18,11: 9741).

Lamb and Mutton Price Ceilings.-- Because of large marketings of lambs, prices did not reach a level at which price control was required until mid-1942. Temporary MPR No. 20, which became effective August 10, 1942, was a temporary 60-day freeze order (18,7:6002). It established maximum wholesale and retail prices for lamb carcasses and cuts at the highest prices charged during July 27 to 31, 1942. Temporary price regulation No. 20 was replaced by MPR No. 239, effective October 8, 1942 (18,7:8019).

In late 1942, prices of sheep rose until it was necessary to place mutton under ceilings. This was effected by a temporary 60-day "freeze" order (Temporary MPR No. 22), which established maximum wholesale and retail prices for mutton carcasses and cuts at the highest selling prices during September 28 to October 2, 1942 (18,7:7914).

Revised Maximum Price Regulation No. 239, effective December 23, 1942, set specific dollars-and-cents ceilings on dressed sheep and lamb carcasses and on wholesale cuts, by grades and by regions (18,7:10688). The ceilings remained substantially unchanged until the roll-back in June and July 1943 (18,8:7679). A further increase in ceilings on both lamb and mutton at wholesale was granted in March 1946 (18,11:2509) and another in September 1946 (18,11:9745).

Live Animal Price Ceilings.-- Imposition of price ceilings on meats was followed by a decrease in margins of both packers and retailers. The effects on small packers, especially those in the East and in the far West, were more severe than on other packers. During the summer of 1942, numerous packers, as well as retailers, suggested that ceiling prices on live animals sold for slaughter were the most practicable way to correct difficulties in the meat situation.

The Department of Agriculture was not prepared at that time to approve ceiling prices on individual sales of live hogs. It would require several weeks to develop an administrable system of price ceilings on live hogs, and, by that time, any squeeze due to the seasonal shortage of supplies would be substantially relieved. It was considered unwise to initiate a system of price ceilings on individual sales of live hogs at the time that increased marketings were themselves exerting a depressing influence on hog prices.

It seemed certain that the placing of price ceilings on individual sales of live animals would have to be accompanied by the allocation of supplies to packers, so that each packer would receive a reasonably equitable proportion of daily or weekly marketings. Without ceilings, any packer could obtain livestock if he was willing to pay enough for them. This option would be denied him if no action were taken other than the fixing of price ceilings on individual sales of live animals.

Officials of the Department emphasized that ceilings on live hogs or live cattle could not make any more meat for civilian consumers, neither would they relieve the squeeze on the distribution trade. They would not relieve local meat shortages because packers could not be expected to sell their supplies voluntarily for any less than the traffic would bear.

The problem of administration of livestock ceilings and allocations of livestock among packers would be difficult. Working out an equitable scheme of ceiling prices for hogs and cattle and of allocations of livestock among packers would require considerable time. Numerous difficulties would be encountered in establishing prices of various grades and weights of live animals and in establishing prices for different areas of the country.

It was felt that the establishment of ceiling prices for livestock also would have the tendency to fix packers' margins at a level satisfactory for the least efficient packers. This would mean abnormally large profits for a major segment of the packing industry. The lowering of livestock prices in order to increase profits of packers would be difficult to justify.

Recognizing the seriousness of the squeeze on packers' margins, particularly small packers in certain areas, the Department of Agriculture urged that OPA price ceilings on hog products be adjusted between meat packers and distributors, both individually and as a group, as the basic solution to the difficulties. The Department protested strongly that such adjustments in price ceilings had not been taken earlier when the difficulties first developed. It was stated that the Department would supplement OPA's action by examining the lend-lease buying program, and if necessary, would reduce its purchase prices to offset any advantages accruing to packers because of the lowering of overhead costs, which might result from their relative increases in volume. The Department would distribute its purchases as equitably as possible among all packers and it would, if necessary, invoke the allocation authority of the War Production Board.

If adjustments in price ceilings proved ineffective in preventing a squeeze on margins of hog slaughterers, the Department was willing to consider an alternative plan to remedy the situation. This alternative plan would have involved, first, the establishment, for each slaughtering plant, of a maximum weekly average drove cost; and second, limiting purchases in any week only when the actual drove cost in a preceding week exceeded this maximum.

The normal annual price spread at Chicago between live hogs and the composite wholesale value of the products (180-200 pound hogs) was about 90 cents. With these products worth $14.65 per 100 pounds of live hogs, the latter normally bring $13.75. This was 103 percent of the price of 180 to 200-pound hogs at Chicago during March 1942, so the maximum average weekly drove cost for each slaughtering plant should be established initially at not less than 103 percent of its drove cost for March 1942. For each 5 cents by which this maximum weekly drove cost was exceeded in any week, purchases during the succeeding week would have to be 5 percent less than in the week the maximum drove cost was exceeded. If necessary to meet individual situations, the permitted drove cost of any individual packer could be modified by administrative action.

It was believed that packers would find it desirable to keep within the drove-cost limitation and the penalty would rarely have to be invoked. Each packer could buy hogs freely with no limitation on the price he could pay for individual purchases and with no limitation on the price buyers could receive for individual sales. Its administration would be simple, and it could be instituted quickly--at the same time or immediately following the revision of wholesale and retail ceilings on pork.

The Government considered varying ceiling prices for livestock and meats by seasons. The Office of Price Administration announced on November 9, 1942, that it clearly recognized the necessity of maintaining normal livestock marketings in off seasons, when costs of production were higher than in other parts of the year. The OPA stated: "Farmers are urged to plan their livestock output with the anticipation that they will be able to sell at highest prices in those seasons of the year when production costs are highest." The complexities involved in varying the ceilings on livestock and meat soon caused the Government to alter its announced policy. None of the ceilings on livestock and meat provided for seasonal variations.

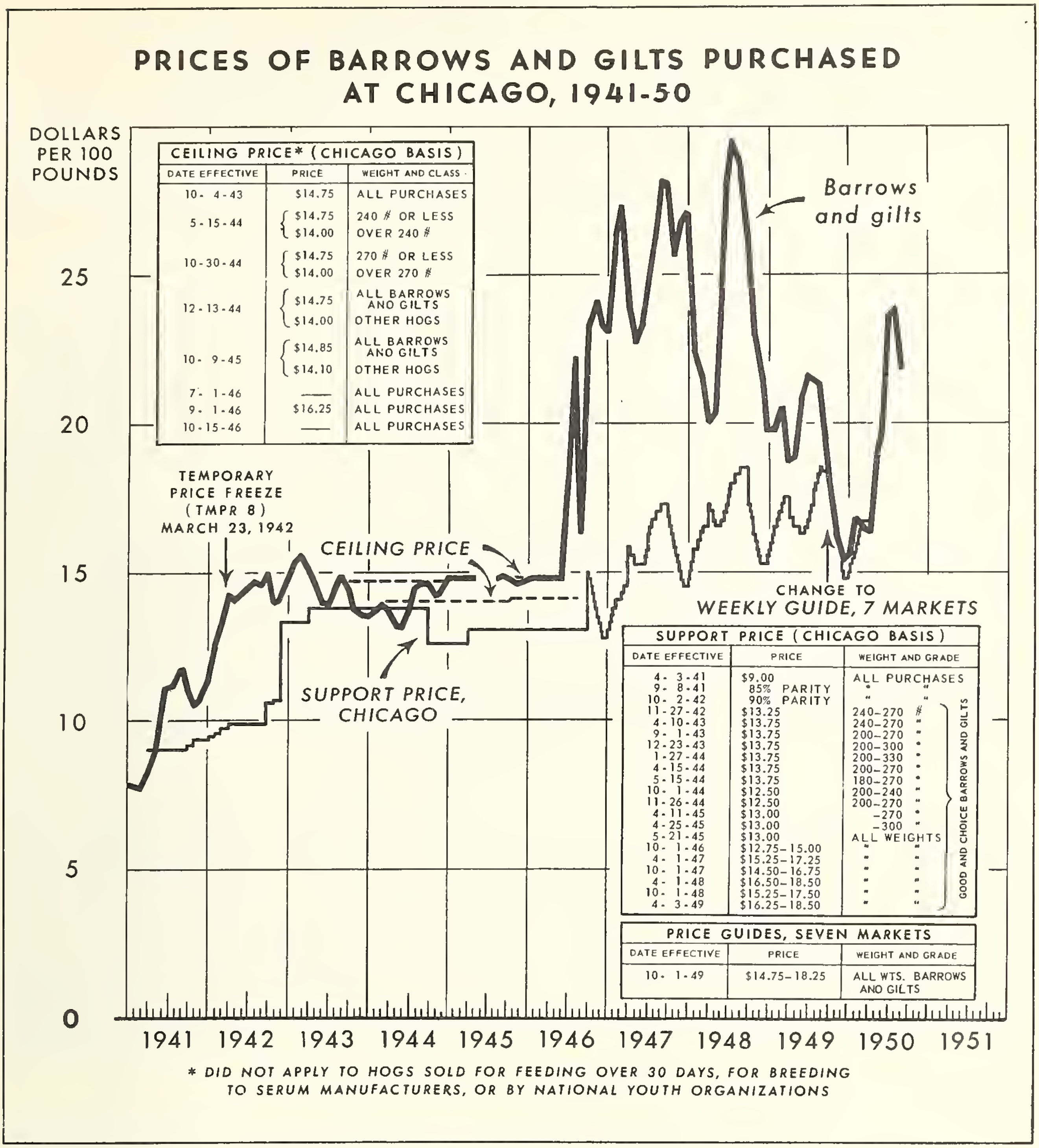


Figure 3.-- OPA's principal problems in setting price ceilings for hogs were to limit the number of different price zones and at the same time to set prices which would alter the normal market movements of hogs as little as possible.

Chief criticism of the ceilings was registered by stockyards, packing plants, and market agencies when hogs were being diverted from customary markets by inequities in the ceilings. From time to time, some changes in prices by areas were made to correct these conditions.

Hog-Price Ceilings.-- Despite attempts to control wholesale prices of pork, prices of hogs continued to rise in 1942 and until March 1943. The combined effect of large marketings and more stringent price control on wholesale prices of pork caused a decline in hog prices from a high in March 1943 to a low in June 1943. From that time until the fall of 1943, prices of hogs continued to rise. Prices for live hogs were so high that, with ceilings on hog products, slaughterers contended that they were losing money on their hog-slaughtering operations. 13/

A ceiling of $14.75 per 100 pounds on individual live hogs at Chicago and maximum prices for live hogs at all markets and buying stations in the United States became effective on October 4, 1943. 14/ In this action, the Office of Price Administration sought to maintain customary geographical price relationships and at the same time to relate prices for live hogs to the maximum prices already set for hog products at wholesale.

The OPA announced a reduction in the ceiling price for live hogs weighing more than 240 pounds, from $14.75 to $14.00, Chicago basis, effective May 15, 1944. Ceiling prices for other markets were similarly reduced. The reduction was designed to conserve livestock feed by discouraging the feeding of hogs to the unusually heavy weights of the previous 3 years when supplies of feed were relatively more abundant. The average weight of hogs slaughtered under Federal inspection in 1943 was 254 pounds, 9 pounds heavier than the average for 1942, and 25 pounds heavier than the 1935-39 average.

On October 30, 1944, when the feed situation had materially improved with the harvest of the then near-record 1944 feed-grain crop, ceiling prices for 240- to 270-pound butcher hogs were again increased to $14.75. 15/ On December 13, 1944, the ceiling price for butcher hogs (barrows and gilts) weighing more than 270 pounds was increased 75 cents per 100 pounds. 16/ The ceiling thus became $14.00 for sows, stags, and boars of all weights, and $14.75 for barrows and gilts of all weights. Prior to this action, heavy barrows and gilts

---

13/ Announcement by the Government April 10, 1943, stated that livestock prices were higher than the levels reflecting a proper relationship to the existing meat ceilings. Hog prices were $1 to $1.50 higher than levels reflected by the pork ceilings. The announcement stated that unless hog prices declined in line with the pork ceilings (as meat rationing was in effect and specific ceilings for meat had been established) ceilings would have to be set for hogs. At that time administrative problems prevented consideration of specific ceilings on prices of live cattle but alternative measures were being considered.

14/ MPR 469.

15/ Amendment 10, MPR 469 (18,9:12644).

16/ Amendment 11, MPR 469 (18,9:14606).

were selling at lower prices than were those of medium weight, whereas packers were selling products derived from such hogs at almost equal prices. The War Food Administration was willing to buy heavy bellies, fat cuts, and lard for lend-lease shipment to the USSR, where the fat shortage was severe. This contributed to the strong demand for heavy hogs. Also, with supplies of pork short for the domestic market, consumers were willing to buy pork cuts of lower quality from heavy hogs at full ceilings.

On October 9, 1945, ceiling prices for hogs were adjusted upward 5 to 10 cents per 100 pounds at most terminal markets. 17/ This adjustment raised the ceiling to $14.85 for butcher hogs and $14.10 for sows at Chicago. The higher prices at terminal markets became necessary to prevent undue diversion of hogs from such markets. After lapsing June 30, 1946, ceiling prices for hogs were reimposed at $16.25, Chicago basis, September 1, 1946. 18/ They remained at that level through October 14 when price controls were removed.

Cattle Price Ceilings.-- In 1943, it seemed desirable that ceilings be placed upon live cattle. However, because of highly variable values of different grades and classes of cattle, specific ceilings for each class and grade would have required grading before slaughter. This would have been a difficult task, requiring Government graders at all markets and slaughter places. Finally, an overall price-ceiling scheme for cattle was worked out--The Cattle Stabilization Plan. Under this program, maximum and minimum prices for each grade of cattle were set and from these maximum and minimum prices a maximum and minimum cost range for cattle slaughtered in a monthly period could be calculated. Compliance was to be effected by deducting from a slaughterer's subsidy payments (previously paid to slaughterers to compensate for the roll-back in prices of meat) if slaughterers paid more than or less than the specified maximum and minimum prices for their aggregate slaughter in any monthly period. The Cattle Stabilization Plan became effective in late 1943. This plan, in effect, put a ceiling on prices of all cattle slaughtered. It did not establish a support price for cattle.

The method of figuring compliance under the stabilization program for cattle is shown in table 8.

Slaughterers were required to report to the Reconstruction Finance Corporation the aggregate amount paid for live cattle, including transportation, during a monthly period. They were required also to report their total tonnage of beef carcasses produced during

---

17/ Amendment 16, MPR 469 (18,10:12653).

18/ Amendment 22, MPR 469 (18,11:9738).

Table 8.-- Method of calculating maximum and minimum permissible payments for cattle at Chicago under the price-stabilization plan

Carcass grade	Total dressed weight of slaughter	Standard dressed carcass yields	Live weight equivalent of slaughter	Stabilization price range for Chicago 1/		Permissible cost to packers	
				Minimum	Maximum	Minimum	Maximum
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Pounds	Percent	Pounds	Dollars	Dollars	Dollars	Dollars
Choice	1,100	61	1,803	15.50	17.00	279.46	306.51
Good	2,500	58	4,310	14.25	15.75	614.18	678.82
Commercial	1,500	56	2,679	11.50	13.00	308.08	348.27
Utility	1,300	54	2,407	9.50	11.00	228.66	264.77
Cutter and canner	1,000	46	2,174	6.75	8.25	146.74	179.36
Bulls, cutter and canner	1,000	53	1,887	8.00	9.50	150.96	179.26
Total	8,400	--	15,260	----	----	1,728.08	1,956.99

1/ Stabilization price range effective January 29, 1945.

this period by grades (column 2). The live-weight equivalent of slaughter, by grades, (column 4) was calculated from the standard dressed-carcass yields (column 3) and the dressed weight of slaughter. The calculated live weight for each grade of cattle was multiplied by the minimum price for the grade applicable to a slaughterer's location (column 5) to determine the minimum permissable cost of animals slaughtered (column 7). A similar calculation was made from columns 4 and 6 to arrive at a slaughterer's maximum permissable cost (column 8).

If a slaughterer illustrated in table 8 paid more than $1,956.99 for all cattle slaughtered during the particular monthly period, he would be in violation of an OPA regulation. If the aggregate amount paid by a packer fell below the minimum permissible cost ($1,728.08), deductions would be made from his subsidy payment in the amount his actual cost was below the minimum permissible cost.

In late 1944, cattle slaughterers appealed to the Government for more rigid control of prices of live cattle, contending that, with no specific ceilings on live cattle and with fixed ceilings on meat, they were losing money on their cattle-slaughtering operations. They pointed out that during the second half of 1944, prices for top cattle at Chicago, which were selling above $18.00, were higher than the realized ceilings for carcass beef, including subsidy payments. The Government then decided to overhaul the Cattle Stabilization Plan by increasing subsidy payments to slaughterers, by making adjustments in the stabilization range prices,

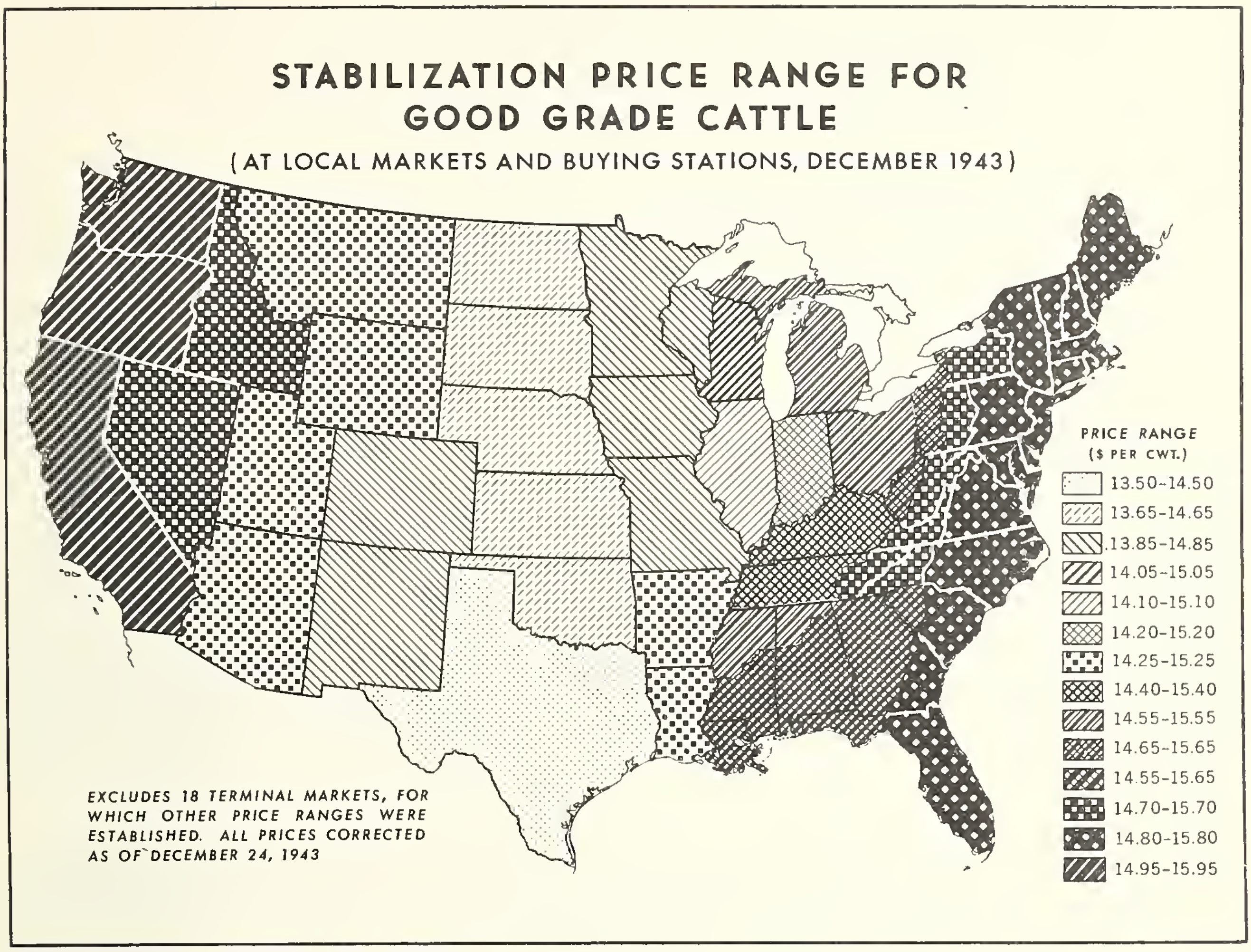


Figure 4.-- The price stabilization plan for cattle was an ingenious device to handle the difficult job of placing ceilings on prices of live cattle. The maximum of the stabilization price ranges for any particular grade of cattle did not constitute an absolute ceiling. However, the average price for the monthly kill of each slaughterer was limited by the proportion of the various grades killed and the applicable stabilization price range for each grade. Prices at terminal markets were slightly higher than at buying stations in the same price zone.

and by setting over-all ceilings on live cattle and calves. The ceiling so set was calculated on the basis of $18.00 at Chicago for all cattle and calves. It became effective in January 1945.

No basic changes in the fixed-price schedule for cattle were made until September 1946, when price ceilings were reimposed after being inoperative for 2 months. However, there were several changes in the subsidy-payment rates and in the withholding provisions exercised by RFC when slaughterers paid more for cattle than was allowed under the stabilization plan. In September 1946, the overriding ceiling for cattle was increased $2.25 per 100 pounds to $20.25 (Chicago basis). The maximum and minimum price ranges for Choice grade cattle were increased $2.25 and those for cattle graded Good were increased $2.00. These increases were required because parity had risen during the period of price decontrol.

Decontrol of Prices.-- Price control lapsed on July 1, 1946, after the President had vetoed the price-control act passed by the Congress. Without price control, prices of meat and meat animals rose sharply. Prices of meat increased more than prices of live animals as subsidy payments to packers were also withdrawn. Prices of hogs at Chicago averaged $17.94 in July 1946, compared with around $14.75 under the ceilings. Prices moved to higher levels in August. The average price received by farmers for hogs increased from $14.30 per 100 pounds in June 1946 to $17.20 in July and reached $20.80 in August. The average price received by farmers for cattle in August 1946 was $15.70 per 100 pounds compared with $13.80 under the June ceilings.

The President signed a new price-control law on July 25, 1946, but livestock, grains, and dairy products were specifically exempted from control. The law set up a Price Decontrol Board of three members. The Board was required to hold hearings on whether prices of livestock and grain products were to be controlled beginning August 21, 1946. It was also required to determine whether subsidy payments were to be made on meat. The Board conducted hearings and ruled that the reimposition of ceilings was in the public interest and that subsidy payments to slaughterers be resumed. Price ceilings on meat and meat animals became effective in early September at a higher level than in June 1946.

Livestock slaughter fell to a record low in September 1946, and by early October the situation in regard to the supply of meat was critical. On October 14, President Truman announced the removal of price controls for meat and livestock effective at the end of that day.

Black Markets.-- Extensive "black-market" operations in meat were evident during all of the war period and they apparently became even greater after the end of the fighting. "Black-market" operations most commonly took the form of selling meat at prices higher than the established ceilings. Another common violation of meat orders was sale of meat by wholesalers and retailers without collecting ration points. Counterfeiting of ration coupons was detected in numerous instances. Short weighing and upgrading of meats were rather common practices. Meat dealers also violated the price orders by so-called "tie-in sales," in which purchasers were required to buy less desirable meats or meat products to obtain a supply of the types they wished.

Black-market sales in meat apparently varied inversely with public support of the rationing and price control programs. While the war was on patriotic motives served to prevent many people from violating the regulations. With the end of actual fighting, these incentives were largely removed. Consumers and dealers alike appeared to hold less regard for Government regulations after the fighting had stopped. However, average prices of meat at wholesale and retail under OPA, even with the overcharges, were much lower than they would have been in a free market.

Ceilings on live animals were as hard to enforce. On May 18, 1945, the Office of War Mobilization and Reconversion directed the Office of Price Administration and the War Food Administration to develop a plan by June 15 whereby the movement of livestock through public stockyards and public sale yards could be traced, to effectuate compliance of the ceiling-price regulations on meat and live animals. It was stated that record-keeping requirements would be announced to aid in checking compliance of the slaughter-control program then in operation and the meat-distribution plan that was to be announced (Control Order 1).

Reporting provisions were provided in Control Order No. 1 for checking compliance under the order, as was done for most of the livestock and meat orders of the Government. But no plan was announced to trace the movement of livestock through public stockyards and public sale yards. This remained an important gap in enforcement of the wartime ceiling-price orders. Such a plan would necessarily have had to be very comprehensive. Although only some 222 public stockyards 19/ were posted under the Packers and Stockyards Act, the number of other public sale yards was much larger. It was hardly possible to place a reporting scheme in operation at the leading markets without strict record-keeping at all markets. The livestock price-control regulations already were being circumvented at country points and small markets where it was much easier to cover up above-ceiling sales than at the posted public markets where more comprehensive record-keeping was required. This was one of the causes of marked diversion of livestock from the principal livestock markets.

19/ Number June 30, 1941.

The large number of livestock not passing through stockyards emphasizes the difficulties of combating sales of live animals at prices above the ceilings. In 1940, in the 14 Corn Belt States, 24 percent of all livestock (exclusive of horses and mules, combined in terms of carlot equivalents) sold by farmers did not pass through a livestock market (3, p. 28). Of all livestock sold, 28 percent went through one or more local markets but not through a terminal market. Outside of the Corn Belt region, livestock are marketed through somewhat similar channels.

Price ceilings brought about many changes in the wholesaling of meats. The price ceilings on meat made an allowance for each stage of processing and marketing. The regulations provided for a mark-up in prices for cutting, processing, packaging, and delivery. These allowances proved to be rather liberal, so that processed products such as canned meat and sausage were good paying operations. Non-processing slaughterers of cattle did not have similar outlets, but they were paid special subsidies. Under the price ceilings, slaughterers tended to cut carcasses into wholesale cuts, for, in this way they could take advantage of the higher realizations provided. As a rule, much of the beef sold by slaughterers is in the form of half or quarter carcasses. Veal, lamb, and mutton are more often distributed as whole carcasses.

Control of prices for meat and meat animals in World War II was much more extensive than in World War I. During World War I, the Food Administration embarked upon a program to support prices of 100 pounds of live hogs at the value of 13 bushels of corn. To carry out its price policy for hogs, the Government not only bought pork products; it controlled receipts at primary markets through a system of embargoes and car allotments and licenses to dealers and packers. To some extent it regulated the profits of packers. The Food Administration of World War I found it difficult to maintain hog prices equivalent to 13 bushels of corn at Chicago, and so it effected changes which lowered the ratio to 11. Control over prices of beef was indirect; it comprised regulation of market supplies and curtailment of consumption. Meatless meals and meatless days were resorted to at various times (6).

Subsidy Programs

During 1943-46, Government subsidy payments were made to livestock slaughterers and to livestock producers to hold down the price of meat to consumers and to maintain or increase returns to producers. A third objective was to prevent losses by slaughterers and meat processors because of Government price controls as required by the Price Control Act.

Subsidy payments to livestock slaughterers also were used to implement programs to control prices of live animals (with slaughterers forced to comply with ceiling price regulations to be eligible for payments), and to channel more livestock through federally inspected packing plants to aid Government procurement and obtain better distribution of meat for civilians in deficit meat areas. To accomplish the last objective, subsidy payments to nonfederally inspected slaughterers were limited for a time during 1945 to a percentage of the kill in a previous period, with no limitation of payments to plants operating under Federal inspection.

Subsidies to Livestock Slaughterers.-- In late June and early July of 1943, ceiling prices for meats were reduced about 3 cents a pound at retail and about 2 cents a pound at wholesale. The effect of this roll-back on prices of live animals was offset by the payment of subsidies to livestock slaughterers, to enable them to pay prevailing prices for live animals despite the reduction in wholesale prices of meat.

Payments to slaughterers were made by the Reconstruction Finance Corporation. Initial payments were 1.1 cents per pound, live weight, for cattle and calves; 1.3 cents per pound for hogs; and 0.95 cent per pound for sheep and lambs slaughtered. Later, subsidy payments on cattle and hogs were increased, and special subsidies were paid to nonprocessing slaughterers of cattle.

In late 1943, the slaughter-subsidy payments on cattle became an integral part of the Cattle Stabilization Plan. This plan was inaugurated primarily to establish ceiling prices on cattle, and the subsidy payments were used to bring about compliance with the price-control features of the general price-stabilization plan (See Cattle price ceilings, p. 47).

If a slaughterer's total cost for cattle in an accounting period was higher than the maximum permissible cost, or below the minimum permissible cost, deductions were made from the subsidy payments in the amount that cattle costs were outside the permissible cost range. As a further refinement, beginning in early 1945, subsidy payments for cattle costs within the range were made on a sliding scale, depending upon the cost of cattle in a monthly period. If the total cost (including transportation) to an individual slaughterer was at the top of the stabilization-cost range, slaughter payments were made at the maximum rates; if the total cost was below the top of the stabilization-cost range, payments were reduced.

If a court found a violation of an OPA livestock or meat regulation, the entire subsidy for the accounting period had to be withheld by the Reconstruction Finance Corporation upon certification by OPA. Effective April 1, 1946, penalties were increased for livestock slaughterers whose cattle costs exceeded maximum permissible costs. The RFC withheld 10 percent of the subsidy of a slaughterer whose cattle costs exceeded the maximums by no more than one-fourth of 1 percent. Thirty percent was withheld when the cost ranged from one-fourth to and including 1 percent, and 60 percent was withheld when the cost ranged from 1 to and including 2 percent above the maximum. When the cost exceeded the maximum by more than 2 percent, the entire subsidy was withheld. The amount of the payment was reduced 2 cents for every 3-cent decline in cost of cattle from the maximum to the minimum of the cost range. Previously, the payment was reduced 4 cents for each 5-cent drop in cost.

To aid in correcting an undue diversion of cattle, calves, and hogs from federally inspected to noninspected plants, payment of subsidies to noninspected slaughterers was limited, beginning February 17, 1945. Under these limitations, noninspected slaughterers were limited to claims for subsidy payments on only a percentage of their kill in the corresponding accounting period a year earlier. These restrictions were later extended to slaughterers of sheep and lambs. Percentages were changed from time to time by the War Food Administration as amendments to WFO-126.

Special subsidies to slaughterers were paid in the period April 1-October 31, 1945, to assure that slaughterers who operated profitably before the war would not be required to operate at a loss during 1945. Additional payments were made to livestock slaughterers in fulfillment of the Barkley-Bates Amendment to the Price Control Act, to insure slaughterers a profit on each species of livestock killed. Such payments were made on cattle, calf, sheep, and lamb slaughter during the period July 1-October 31, 1945.

Subsidies paid by the Reconstruction Finance Corporation to livestock slaughterers, June 1943-June 1948, follow:

Period	Amount
June-December 31, 1943	$ 210,496,000
January-June 30, 1944	251,731,000
June 1943-June 30, 1944	462,227,000
July-December 31, 1944	235,682,000
January-June 30, 1945	192,104,000
July 1944-June 30, 1945	427,786,000
Year beginning July 1 -	
1945	646,740,000
1946	10,396,000
1947	601,000
Total	$1,547,750,000

Summary of major changes in the livestock slaughter payment program of the Reconstruction Finance Corporation

Effective date	Principal provisions
June 7, 1943	Began slaughter payments; \$1.10 per 100 pounds for live cattle and calves, \$1.30 per 100 pounds for hogs, and \$0.95 per 100 pounds for sheep and lambs. Subsidy payments accompanied a roll-back of meat prices about 3 cents per pound at the retail level and around 2 cents per pound wholesale.
December 1943	Subsidy payments for cattle began on the basis of grade. Additional payment of \$0.80 per 100 pounds made to nonprocessing cattle slaughterers. No change in subsidy-payment rates on calves. Deductions taken from slaughter payments in the amount that slaughterers paid more or less than the maximum and minimum cost for all cattle slaughtered each month (including transportation costs) under the cattle stabilization plan.
January 29, 1945	Payment rates for cattle changed (See table 9).
April 1, 1945	Subsidy on hogs increased from \$1.30 to \$1.70 per 100 pounds. Cattle subsidy payments on a sliding scale depending on average cattle costs.
May 1, 1945	Changed subsidy rates on cattle (See table 9).
June 4, 1945	Changed subsidy rates on cattle (See table 9). Reduced nonprocessing subsidy on cattle from \$0.80 to \$0.40 per 100 pounds.
August 5, 1945	Discontinued payment of \$0.95 per 100 pounds to sheep and lamb slaughterers. (Special adjustment subsidies were paid on slaughter from April 1 to October 31, 1945. The payment rates were announced in December 1945 retroactive to the earlier periods.)

(continued)

Summary of major changes in the livestock slaughter payment program of the Reconstruction Finance Corporation (Continued)

Effective date	Principal provisions
April 1, 1946	Increased amount of subsidy withheld from slaughterers whose monthly cattle costs exceed the maximum permissible cost.
	When costs exceed maximum by: — Percentage of total subsidy withheld
	Up to and including 0.25 percent . . . 10 percent
	0.25 percent to and including 1 percent . . . 30 percent
	1 to and including 2 percent . . . 60 percent
	Over 2 percent . . . 100 percent
	Changed the rate of subsidy withdrawal as cattle costs fell below the maximum permissible cost.

Direct Subsidy to Cattle Feeders.-- On May 19, 1945, the Commodity Credit Corporation began the payment of a 50-cent per 100-pounds subsidy to sellers of slaughter cattle weighing 800 pounds or more that had been owned by the seller for at least 30 days, and which sold for the equivalent of $14.25 per 100 pounds or higher at Chicago. Payments continued to be made on sales of cattle through June 1946. Payments were made by the CCC through the offices of the county committees of the Agricultural Adjustment Agency (later known as county committees of the Production and Marketing Administration). The subsidy, paid direct to farmers, offered some inducement to producers to feed cattle to heavier weights and to feed more cattle for market. It also resulted in higher prices to cattle producers without a corresponding rise in meat prices (18,10:7081).

According to records of the Production and Marketing Administration, direct payments to farmers for cattle totaled 14.7 million dollars in 1945 on more than 2.9 million head (13,1946:316;1947:319). These records also show that subsidies paid in 1946 totaled 22.2 million dollars.

Direct Subsidies on Sheep and Lambs.-- A subsidy program to lamb feeders and sheep producers, replacing subsidies to slaughterers, became effective August 5, 1945, and continued through June 1946 (18,10:9478). Payments were made through AAA county committees to persons selling sheep and lambs for slaughter. The program sought primarily to help farmers

Table 9.-- Maximum and minimum costs and subsidy rates for cattle established under RFC Regulations 3 and 10 and MPR 574 "regular" packers, Chicago basis.

Item	Over-riding ceiling	Cost or rate per 100 pounds, live weight: Grade AA	A	B	C	D	D bulls
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
DSC Reg. No. 3							
6-7-43 to 12-25-43							
Maximum cost	---	---	---	---	---	---	---
Minimum cost	---	---	---	---	---	---	---
Subsidy, flat rate		1.10	1.10	1.10	1.10	1.10	1.10
AM. 3, DSC Reg. 3							
12-25-43 to 1-29-45							
Maximum cost	---	16.00	15.25	13.00	11.00	8.25	9.50
Minimum cost	---	15.00	14.25	12.00	10.00	7.25	8.50
Subsidy, flat rate		1.00	1.45	.90	.50	.50	.50
DSC Reg. 3 Rev.&MPR 574							
1-29-45 to 4-1-45							
Maximum cost	18.00	17.00	15.75	13.00	11.00	8.25	9.50
Minimum cost	---	15.50	14.25	11.50	9.50	6.75	8.00
Subsidy, flat rate		2.00	1.95	.90	.50	.50	.50
AM.2, DSC Reg. 3 Rev.							
4-1-45 to 5-1-45							
Maximum cost	18.00	17.00	15.75	13.00	11.00	8.25	9.50
Minimum cost	---	15.50	14.25	11.50	9.50	6.75	8.00
Subsidy at maximum		2.50	2.45	1.40	1.00	1.00	1.00
Subsidy at minimum		2.00	1.95	.90	.50	.50	.50
AM.3 DSC Reg. 3 Rev.							
5-1-45 to 6-4-45							
Maximum cost	18.00	17.00	15.75	13.00	11.00	8.25	9.50
Minimum cost	---	15.50	14.25	11.50	9.50	6.75	8.00
Subsidy at maximum		2.75	2.70	1.65	1.00	1.00	1.00
Subsidy at minimum		1.75	1.70	.65	.00	.00	.00
AM.4, DSC Reg. 3 Rev.							
6-4-45 to 3-31-46							
Maximum cost	18.00	17.00	15.75	13.00	11.00	8.25	9.50
Minimum cost	---	15.50	14.25	11.50	9.50	6.75	8.00
Subsidy at maximum		3.00	2.95	1.90	1.25	1.25	1.25
Subsidy at minimum		1.80	1.75	.70	.25	.25	.25

(continued)

Table 9.-- Maximum and minimum costs and subsidy rates for cattle established under RFC Regulations 3 and 10 and MPR 574 "regular" packers, Chicago basis (Continued)

Item	Over-riding ceiling	Cost or rate per 100 pounds, live weight					
		Grade					
		AA	A	B	C	D	D bulls
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
AM.13 RFC Reg. 3 Rev.							
4-1-46 to 6-30-46							
Maximum cost	18.00	17.00	15.75	13.00	11.00	8.25	9.50
Minimum cost	---	15.50	14.25	11.50	9.50	6.75	8.00
Subsidy at maximum		3.00	2.95	1.90	1.25	1.25	1.25
Subsidy at minimum		2.00	1.95	.90	.25	.25	.25
RFC Reg. 10							
9-1-46 to 10-14-46							
Maximum cost	1/ 20.25	19.25	17.75	13.00	11.00	8.25	9.50
Minimum cost	---	17.75	16.25	11.50	9.50	6.75	8.00
Subsidy at maximum		3.00	3.00	1.90	1.25	1.25	1.25
Subsidy at minimum		2.00	2.00	.90	.25	.25	.25

1/ Overriding ceiling for bulls $13.50.

and ranchers meet increased costs of production without increasing consumer prices for lamb and mutton. The schedule of payments on lambs varied seasonally. For 65- to 90-pound lambs, rates varied from $1.50 to $2.50 per 100 pounds. For lambs of more than 90 pounds, payments ranged from $2.15 to $3.15. Payment rates for all other sheep and lambs were $1.00 per 100 pounds without seasonal variation.

The CCC paid out 9.1 million dollars in 1945 under the direct subsidy program for sheep (13,1946:344;1947:345). Payments in 1946 were reported at 34.0 million dollars.

Payment of subsidies was opposed by both farmers and meat packers. Farmers believed that packers would benefit more than they would and that the subsidies would eventually have to be repaid in part by farmers through higher taxes. They felt that, with their greatly increased earnings, consumers could well afford to pay higher prices for meat and that the payments were really consumer subsidies while appearing to go to farmers. The meat-packing industry also opposed the payment of subsidies. At the time of the original roll-back of meat prices, packers were to receive subsidies in an amount that would just offset the reduced wholesale prices of their products. They would not gain from their payment, and would be obliged to keep the records required by the Government. Later, some subsidies were paid to packers to prevent a squeeze in their margins, such as the 40-cent per 100 pounds payment on hogs beginning in April 1944.

Organized labor generally was in favor of the meat subsidies which reduced meat prices for consumers from 0.6 to 7.7 cents per pound at retail (see table 10). However, it is doubtful whether a majority of consumers realized the effect of the subsidy on meat prices.

The armed forces benefited from the consumers' subsidies, which reduced their meat costs. Meat bought by the Government for lend-lease shipment and for sale to cash-paying foreign governments was transferred at prices which were lower than they otherwise would have been because of the subsidy program.

The main basis for the payment of subsidies was the belief by the Administration that further advances in food costs would endanger the whole wage and price stabilization program. Payments from the public treasury to processors of agricultural commodities were considered to be a desirable method of holding down the cost of living to wage earners and the public generally, while at the same time they maintained or increased returns to producers. Initial subsidy payments in mid-year 1943 were just about equal to the reductions in wholesale meat prices and affected the level of livestock prices very little. Later increases in the subsidy payments tended to increase prices of live animals directly as they were not accompanied by corresponding decreases in wholesale meat prices.

Soon after the fighting in Japan ended in August 1945, it became the Administration's policy to withdraw subsidies as soon as possible. The aim of the Administration was to eliminate subsidies and to increase ceiling prices on the affected commodities without increasing the general cost of living. It was anticipated that prices for some of the major components of the cost of living would fall so that the net result would be a fairly constant and stable over-all cost of living. It was announced November 9, 1945, that in the judgment of the Secretary of Agriculture, the Price Administrator, and the Stabilization Administrator, the rollback subsidy of $1.30 per live hundredweight on hogs could be withdrawn not later than March 31, 1946. The remaining subsidy of 40 cents per 100 pounds, live weight, could be terminated not later than June 30, 1946, as well as all subsidies on sheep and lambs and on beef cattle, except payments to nonprocessing cattle slaughterers, for which no final withdrawal date had been determined.

Table 10.-- Subsidy payment rates on hogs, cattle, calves, sheep, and lambs, and approximate price equivalents of subsidies for meat at wholesale and retail levels, June 1945

Type of payment and class of meat animal	Subsidy per 100 pounds live weight	Equivalent of subsidy on meat per 100 pounds at: Wholesale	Equivalent of subsidy on meat per 100 pounds at: Retail
	Dollars	Dollars	Dollars
Payments to slaughterers:			
Cattle 1/ -			
Choice and Prime	1.80-3.00	2.95-4.90	3.75-6.25
Good	1.75-2.95	3.00-5.10	3.80-6.45
Medium	.70-1.90	1.25-3.40	1.60-4.30
Common	.25-1.25	.45-2.30	.60-2.90
Canner and Cutter	.25-1.25	.55-2.70	.70-3.45
All cattle	2/ 1.10-2.25	3/ 1.95-4.00	3/ 2.45-5.05
Calves	1.10	2.10	2.35
Hogs	1.70	4/ 2.25	4/ 2.60
Payments to farmers:			
Cattle (800 pounds and over grading good or better selling at not less than $14.25 Chicago)	.50	.85	1.05
Sheep (sold for slaughter)	1.00	2.25	2.55
Lambs (sold for slaughter)	1.50-3.15	3.25-6.85	3.65-7.70
All meat animals	5/ 1.50-2.10	2.35-3.35	2.80-3.95

1/ Excluding subsidy to nonprocessors of 40 cents per 100 pounds live weight.

2/ Weighted by estimated live weight of beef graded by USDA graders, January-June 1945.

3/ Weighted by beef graded by USDA graders, January-June 1945.

4/ Pork and lard.

5/ Estimated on basis of slaughter in January-June 1945.

It soon developed, however, that the cost of living, instead of remaining constant or declining, continued to rise in early 1946. This was partly a result of continuing high levels of consumer demand and employment, and a strong effective demand for food and industrial products for export. It was also a result of the lifting of many rationing and distribution controls on food and increases in wages of industrial workers. This series of events resulted in a modification of Government policy regarding the food subsidies. The President asked the Congress to appropriate money for the continuation of subsidies. On January 23, 1946, the Stabilization Administrator announced: "The Government is altering the program for ending wartime food subsidies which it announced November 9 (1945) and will retain the major portion of the subsidy program at least until June 30. This decision is made necessary by the fact that price declines in nonsubsidized elements of the cost of living are not materializing. At the time of the November announcement such declines were counted upon to offset price rises consequent upon subsidy removal. This change is thus an adaptation of the original program to different conditions than those anticipated and not a change in the basic principles.......... It now appears that this policy will require continuation of major food subsidies beyond next June. Congress is being requested to authorize payment of subsidies for the fiscal year 1947....... ."

It was the Administration's plan to continue the payment of subsidies on sheep and lambs marketed for slaughter after June 1946. However, with the lapse of the Price Control Act, funds for payment of the subsidy were not available and on June 30, 1946, the Department of Agriculture announced that all payments would terminate on that date, unless subsequent congressional action restored the subsidy. The 50-cent subsidy on sales of better grade cattle for slaughter was terminated, in line with previous announcements.

Subsidies to slaughterers of cattle, calves, and hogs were suspended July 1, 1946. The Price Decontrol Board ruled August 20 that subsidies that were in effect on June 29, 1946, would be reestablished. However, the Board also ruled that on or before January 10, 1947, they would be halved and removal of the entire subsidy was to occur on April 1, 1947. Payment of the slaughter subsidies was resumed September 1, 1946, at the rates of June 29, but they were discontinued when price controls on meat were terminated October 14, 1946.

DISTRIBUTION POLICIES

Allocation of Meat Supplies

United States Meat Allocations.-- The national meat allocations were an attempt to forecast meat supplies and divide the expected supply among military, export, civilian and other claimants in such a way as more effectively to serve the Nation during the war emergency. 20/ As meat supplies, at controlled prices, were not large enough to fill needs of civilians on the home front, our fighting forces, direct war supporting organizations and our allies, some planned distribution of the supply had to be made at regular intervals. The allocations were recommended for the decision of the War Food Administrator by committees in the Government which included representatives from all groups for which allocations were made. For example, the allocation committees had representatives from the Army and Navy who supplied requirements and acted on behalf of the armed forces, and representatives from Agriculture and OPA who represented civilians. Other members were from the Foreign Economic Administration. They submitted requirements and acted on behalf of lend-lease claimants. The allocation set the goals for procurement by Government agencies and determined the quantity of meat that could be licensed for export. In general, the total requirements of the armed forces were met by the allocation committees. Exports of meat through lend-lease, administered by the Foreign Economic Administration (later Department of Commerce) had a lower priority. United States civilians were, to some extent at least, residual claimants.

Allocations were made on a tentative basis a year in advance, with those for the first calendar quarter considered to be firm. Allocations for subsequent quarters were subject to review at 3-month intervals.

In 1941 and 1942, the War Production Board's food-allocation control was largely in the hands of an inter-agency foods requirements committee, headed by the Secretary of Agriculture. The first United States meat allocations were made in the fall of 1942.

20/ Domestic food allocations were authorized under the provisions of Title III of the Second War Powers Act (17,56:177) which expired March 31, 1947, but for some commodities, including meat, was extended through June 30, 1947, by the First Decontrol Act of 1947 (17,61:34) and was later extended through 1947 and 1948.

Authority over food requirements, allocations, and priorities was transferred to the Secretary of Agriculture by Executive Order 9280 on December 5, 1942. This order established a Food Distribution Administration and a Food Production Administration within the Department of Agriculture. The Food Distribution Administration was assigned operating responsibility for most of the new functions transferred to the Department. Soon after the formation of FDA, the Inter-agency Food Procurement and Food Allocations Committees were formed. These committees advised regarding allocations, other wartime food controls, and subsidies. Forecasts of available meat supplies were made by inter-agency committees within the Government.

The Food Requirements and Allocations Committee was established on October 28, 1943. That committee's functions superseded the work of the Food Advisory Committee and the Inter-agency Food Allocations Committee.

Congress extended the power to allocate meat and certain other commodities for export which were certified by the Secretaries of Commerce and State as necessary to meet foreign commitments, on March 31, 1947, under provisions of the First Decontrol Act of 1947 (17,61:34). This authority was to continue through June 30, 1947. The allocation authority for meats and meat products was later extended through February 29, 1948, and continued throughout the year 1948.

Allocations of meats were particularly difficult to make and they were frequently unsuccessful in controlling procurement. (1) There was the difficult task of accurately forecasting meat production at least 3 months in advance for the firm allocation and a year in advance for the preliminary allocations. (2) Some claimants would not buy their allocation in a given quarter even if the supply had been estimated correctly or was exceeded. This was because of procurement difficulties and because of a tendency for the various claimants to overstate their advance requirements. For example, actual purchases of meat by the armed forces fell 438 million pounds, or 28 percent below their allocation in the fourth quarter of 1944. Department of Agriculture purchases were about half the allocation in the third quarter of 1945. (3) Meats could be stored during periods of peak production for consumption during periods of low supply only to a limited extent.

The allocation procedure required forecasts of meat production on a quarterly basis and some use was made of forecasts of supplies for monthly periods in the adjustment of ration point values. However, it was difficult to forecast future production with the accuracy demanded.

Historical data on federally inspected slaughter and meat production by months were helpful in making the forecasts, although little information was available as to seasonal slaughter and meat production by nonfederally inspected commercial slaughterers and as to farm slaughter or the weights and yields of meat animals slaughtered by them. Before the war the Department of Agriculture did not have information on monthly production of such operators. The annual estimates of nonfederally inspected slaughter lacked the precision desired for use in forecasting and allocating meat supplies. As the entire supply of meat for a future period was definitely earmarked for specific users, failure of production to come up to these forecasts resulted in a shortage for at least one of them. On the other hand, if the future supply was greater than expectations, supplies available for one or more of the claimants were greater than their allocations. A change in the allocation procedure allowed for a contingency reserve. This was a reserve to take care of errors in supply estimates, changes in requirements of any claimant or claimants during the 3-month period, or any new requirements of any claimant or claimants that developed in a quarter. The contingency reserve was not a physical quantity of meat that could be stored in a warehouse; it was a division of the meat supply on paper. Any requirements filled from it actually came from civilian supplies. The contingency reserve was later eliminated and supplemental allocations were made within a quarter to fill any unforeseen needs that developed.

Other deficiencies in the meat-management program were apparent. It was necessary to correlate closely the rationing, allocation, and procurement programs. However, very often action was not taken soon enough or it was not far-reaching enough to effectuate this aim. A meat-management administrator, with broad powers, to handle production, processing, allocation, and price policies for meat animals and meats, was advocated as one solution for these problems.

War Meat Board.-- The War Meat Board was created May 15, 1943, chiefly to coordinate the meat rationing and Government meat-buying programs from day to day and week to week. The principal responsibility of the Board was to divide weekly supplies of meat among the different claimants. This was done largely by allocation of weekly purchases of meat by the Department of Agriculture and the Army, which bought most of the meat for the Armed Forces. The Board also helped the Government obtain its meat requirements by recommending changes in the set-asides, in the ceiling price regulations, or in meat rationing. The quarterly meat allocations continued to be made by the Meat Requirements Committee in Washington after the War Meat Board was set up.

The War Meat Board operated at Chicago, the slaughter center of the country and the seat of the Quartermaster Corps, Chicago Quartermaster Center, and Chicago Quartermaster Depot. The 12-man board consisted of one representative of the War Food Administration, 1 from the Army, 2 from OPA (1 from the Price Branch and 1 from the Rationing Branch) and

7 members from the meat-packing industry to cover the following divisions of the meat trade: Pork, beef, lamb, veal, and canned meat. The Board usually met once a week to discuss various proposals to improve the meat-management program as: Allocation of weekly purchases between the Army and the Department of Agriculture, packers' processing problems, changes in meat set-asides, or changes in meat rationing, or meat ceiling price regulations.

The permanent secretary of the War Meat Board made current weekly estimates of federally inspected slaughter by regions and meat production estimates for the United States, as the basis for the current division of meat between civilians and other claimants. Weekly estimates were based upon telegraphic reports from a sample of federally inspected slaughterers. The Board also prepared estimates of supply and distribution and checked on compliance under the meat set-asides.

Combined Food Board.-- Early in the war, as supplies of meat in the United States and in the other allied nations became short of total requirements, it became necessary to develop a system of dividing supplies among the allied nations. International allocation of meat supplies was fostered by agreements of the United Nations to share armaments, food, and raw material resources for the prosecution of the war. The allocation procedure embraced various activities directed toward the division of food among claimants in such a way that the available supplies would be most effectively utilized in the conduct of the war. It involved (1) bringing together information on stocks and anticipated production during the period for which the allocation was to be made, (2) estimating the requirements to be met from the anticipated supplies, and (3) determining the amounts to be made available against the requirements of each claimant.

The Combined Food Board was charged with the responsibility "to work in collaboration with others of the United Nations toward the best utilization of their food resources, and, in collaboration with the interested nation, or nations, to formulate plans and recommendations for the development, expansion, purchase, or other effective use of their food resources." 21/ This Board discussed general allocation problems,

---

21/ Franklin D. Roosevelt to the Secretary of Agriculture, June 9, 1942.

passed on specific recommendations, reviewed international documents, and settled questions of mutual interest. International allocations of all foods were determined on the basis of requirements and supplies of each country in the light of shipping conditions or other considerations.

The Board, as first established in June 1942, consisted of the Secretary of Agriculture and the head of the British Food Mission, and a staff of officers. It was also made up of a number of subordinate commodity committees, each of which handled a group of foods. In October 1943, membership of the Board was expanded to include the Canadian Minister of Agriculture and the War Food Administrator. The Secretary of Agriculture remained on the Board as chairman.

Early in the war, the United Kingdom was designated as the sole purchaser of canned meats from South America. Some canned beef from foreign countries was allocated to the United States armed forces, during the war, but most of the exportable supply from South America, Australia, New Zealand, and Canada went to the United Kingdom.

The first international allocation for export supplies of all meat from the Americas and other United Nations was announced by the President on February 6, 1946. The export goal from the United States was set at 1.6 billion pounds (dressed-meat basis) for the year 1946. A large portion of United States export supplies were to be shipped by the United Nations Relief and Rehabilitation Administration to famine relief countries.

International Emergency Food Council.-- On June 20, 1946, the International Emergency Food Council was established, superseding the Combined Food Board. The council later became a committee of the Food and Agriculture Organization of the United Nations. Nine nations were named to the original IEFC central committee: Argentina, Australia, Canada, China, France, India, Denmark, and United Kingdom and the United States. Argentina, however, never joined. Besides these 8 nations, 11 other countries were original members of the council: Belgium, Brazil, Chile, Cuba, Greece, the Netherlands, New Zealand, Norway, Siam, Turkey and the Union of South Africa. By early 1947, IEFC council membership had increased to 30 (4,p.5). In addition to the countries listed above, Austria, Czechoslovakia, Egypt, Finland, Italy, Mexico, Poland, Portugal, Republic of the Philippines, Sweden, and Switzerland became members.

The functions of the food council were similar to those of its predecessor, the Combined Food Board. Feeding the war-torn areas of the world was emphasized in 1946, and the reconstruction of Europe in 1947.

Export Licensing.-- The issuance of export licenses was the method the Government used to control the amount of food shipped to foreign countries. When the quantity of meat that was available for export during a given quarter had been determined, the Department of Agriculture notified the Department of Commerce of this determination. The Department of Commerce in turn issued licenses for export of specified quantities of meat to specific countries.

Control of Delivery of Meat

Slaughter Quotas.-- During the summer of 1942, it became apparent that Government agencies, particularly the armed forces, would be unable to obtain their meat requirements on a voluntary basis. Needs of the Government were increasing rapidly at that time, and it was becoming more difficult to obtain the desired quantities. An order to provide more meat for Government agencies was agreed upon by the Department of Agriculture, the Office of Price Administration, and the War Production Board. The plan, which later became known as the Meat Restriction Order, proposed to assist the agencies by limiting the quantity of meat that slaughterers could deliver to civilians, thus forcing the remainder into the hands of the Government (18,7:7839).

The level of sales permitted to be made to civilians under the order for different types of meat was set at percentages varying from 70 to 100 percent of slaughterers' 1941 deliveries. With the anticipated increased production of livestock, and particularly of hogs, it was believed that under this arrangement ample supplies of meat would be available to the Government. The program was put into operation October 1, 1942, under the direction of the Office of Price Administration, which continued to operate it for the next 6 months.

Two classes of slaughterers were defined under the order: (1) Quota slaughterers and (2) nonquota slaughterers. Quota slaughterers were those who produced more than 2 million pounds of meat in the base year 1941. All other commercial slaughterers were in the nonquota category. Quota slaughterers were required to restrict deliveries to civilians by certain fixed percentages of their 1941 quota base, thus making available for Government purchase all meat produced above those quantities. Nonquota slaughterers were required to limit their civilian deliveries each quarter to 100 percent of their 1941 output. As the nonquota slaughterers did not sell meat to the Government, the order limited their slaughter to their 1941 base.

Quota percentages for the first quota period October-December, 1942, were 100 for veal, 80 for beef, 95 for lamb and mutton, and 75 for pork. Quotas for the second quota period January-March, 1943, were 75 percent for lamb and mutton and 70 percent for each of the other kinds of meat.

OPA tended to resist increases in quota bases and to resist grants of quotas to new slaughterers. The program offered no solution for local meat shortages or for shortages of meat to wholesalers, institutions, and nonslaughtering processors. As quotas were issued to slaughterers who had slaughter facilities, individuals who normally had livestock slaughtered for them on a custom basis found it difficult to operate. Some federally inspected slaughterers overkilled their quotas and as the Government needed meat, OPA granted them additional quotas so that they could sell Government-purchase rejects to civilians. Nonfederally inspected slaughterers, under a similar situation, in general were required to cut their operations.

Nonslaughtering processors and wholesalers of meat were not getting their customary share of meat under Restriction Order 1. Many of their sources of supply were not getting their share of slaughter animals. Small killers, against whom enforcement was ineffective, increased their operations. Nonslaughtering meat processors and wholesalers appealed to the Government to amend the order providing for allocation of meat by slaughterers to nonslaughtering processors and wholesalers. 22/ Government regulation was becoming unpopular. Slaughterers, wholesalers, retailers, and consumers in shortage areas were petitioning the Government for relief.

With the transfer of powers over the administration of food to the Department of Agriculture, operation of the Meat Restriction Order was delegated to the Food Distribution Administration. On April 1, 1943, the FDA took over operation of the Meat Restriction Order and attempted to strengthen it by issuing another order, FDO 27 (18,8:2785). Under this order small operators were issued permits to slaughter livestock with their slaughter limited to percentages of their 1941 kill. To aid in checking compliance under this order, FDO 26 was issued (18,8:2787). This order required that every dealer or agent who bought livestock must obtain a permit, and that all dealers, agents, and producers of livestock keep records of their livestock sales. Issuance of permits, under FDO's 26 and 27, was placed in the hands of the USDA County War Boards.

22/ Memorandum in behalf of the National Association of Nonslaughtering Meat Processors and Wholesalers, Inc., Washington, D. C., December 29, 1942.

Because this method of limiting slaughter did not result in the desired distribution of meat supplies, it became necessary to amend the order by reducing the beef quotas of slaughterers who had started into operation after receiving permits under FDO 27. The increased slaughter by small local operators was partly responsible for the need for the beef set-aside order which was again placed in operation about the middle of June 1943.

To transfer the Meat Restriction Order into a Food Distribution Order and to combine all the amendments into one document, the Food Distribution Administration issued FDO 61 on July 1, 1943 (18,8:9108). Certain changes were also made in FDO 27, and about the middle of August 1943, it was decided to place all slaughter regulations under one order, to broaden the scope of this order, and to make it more effective. Thus FDO 75 was issued (18,8:11119). It required all slaughterers, other than farm slaughterers, to have a license, and, as a condition of owning such a license, to pay no more than ceiling prices nor less than support prices for hogs.

This order (FDO 75) operated until September 1, 1943, when because of increased marketings of cattle as a result of drought conditions and seasonal trends, quotas were suspended for 2 months to facilitate movement of cattle to market and to prevent lower prices for livestock. This suspension of quotas was later extended and no quotas on livestock slaughter were in effect in 1944 and early 1945.

Government procurement of meat fell below requirements in early 1945. This was partly the result of a marked diversion of livestock from inspected to noninspected plants, from which there were no set-asides for Government purchase. Effective January 29, 1945, the Department of Agriculture authorized the Office of Price Administration to set quotas on livestock slaughter by nonfederally inspected slaughterers. This was intended to encourage the movement of livestock into slaughtering establishments operating under Federal inspection.

OPA put into effect Control Order No. 1, which established quotas on the slaughter of meat animals by all nonfederally inspected slaughterers, including farm slaughterers, beginning April 30, 1945 (18,10:4605). Slaughterers operated under the OPA quotas until September 1945, when Government purchases began to decline and the quotas were no longer required. A new feature of Control Order 1 was that it required meat producers to deliver a proportionate part of their civilian supplies into the same trading areas as in a base period. This helped to achieve even geographical distribution of meat supplies, and supplemented the rationing program during the period of our most pronounced wartime shortage of meat.

The Government was severely criticized by livestock producers, livestock producer's organizations, and nonfederally inspected slaughterers when quotas were set on slaughter by nonfederally inspected slaughterers with no restrictions on slaughter by those operating under Federal inspection. These individuals maintained that slaughter quotas limited the market for livestock and resulted in an altered marketing pattern for livestock. Slaughterers not under Federal inspection were limited in their operations and thereby in their profits. In order to meet these criticisms of the wartime meat program, Congress in mid-1945 passed the Patman amendment to the Stabilization Act of 1942 (17,56:275). The Amendment provided for release from slaughter limitations those nonfederally inspected plants which met certain sanitary specifications. Plants released from slaughter quotas were certified by the Secretary of Agriculture, providing (1) OPA price, rationing, and other regulations were and had been observed; (2) meat moved in legitimate trade channels within legal price ceilings; (3) the plant met sanitary standards; (4) meat produced was under the supervision of qualified veterinary inspectors; and (5) the plant set aside meat for Government agencies. Slaughterers also were authorized to ship meat in interstate and foreign commerce if the Secretary of Agriculture certified that the packing plants met the necessary standards. These provisions were embodied in WFO 139 (18,8:8806). 23/

After the lifting of quotas from nonfederally inspected slaughterers in late 1945 there was a marked diversion of livestock, especially cattle, away from some federally inspected plants. Federally inspected slaughterers, in some instances, were unable to buy cattle and stay within price compliance. Slaughter of other species in nonfederally inspected plants assumed record proportions. The diversion of slaughter from regular slaughterers, often to black-market operators, threatened the meat-price and distribution programs. Federally inspected slaughterers and their organizations urged the Administration to reimpose slaughter quotas. The Office of Price Administration issued Control Order 2, effective in late April and early May 1946, placing quotas on slaughter of cattle, calves, and hogs by individual nonfederally inspected slaughterers, except farmers (18,11:4657). Concurrently, the Department of Agriculture issued WFO 75-7, establishing the first quotas for federally inspected slaughterers, but exempting "certified" slaughterers (18,11:4644). Quotas for "certified" slaughterers 24/, were specifically prohibited by the Patman Amendment to the Price Control Act (17,56:275).

23/ For a short summary of WFO 139 and amendments see, Restriction Orders Pertaining to Meat Deliveries and Livestock Slaughter Programs Administered by the Livestock Branch, 1943-46.

24/ Slaughterers affected by WFO 139 (22).

The War Food Administration announced the withdrawal of slaughter controls for federally inspected plants June 30, 1946. Authorization for such controls ended on that date because price-control legislation had lapsed. On that date, OPA announced unlimited quotas for nonfederally inspected slaughterers under Control Order 2. During July and August 1946, OPA studied various proposals for placing slaughter controls in effect in case controls on meat prices should be restored. After the Price Decontrol Board ruled that price ceilings on meat were to be restored, WFA delegated authority to OPA to set quotas on federally inspected slaughter. OPA prepared again to set specific quotas for both federally inspected and nonfederally inspected slaughterers but it did not get the program in operation before ceilings on livestock and meats were removed October 14, 1946.

As early as 1945, OPA had advocated the setting of quotas for federally inspected slaughterers. The primary object appeared to be to restrict the market for livestock so as to prevent prices of live animals from piercing the price ceilings. The secondary objective appeared to be to set quotas for all slaughterers so that the nonfederally inspected slaughterers would have less basis for complaining against quotas when their output was reduced and at the same time federally inspected slaughterers were operating without controls.

In either event, it seemed apparent that quotas for nonfederally inspected slaughterers would have had to be more restrictive than those for federally inspected slaughterers. The large quantity of meat required by war agencies had to be filled either by channeling more animals through federally inspected plants, by extending Federal inspection to a larger number of plants, or by purchasing meat from nonfederally inspected operators.

The Stabilization Director and WFA officials feared that complete slaughter quotas for all slaughterers would drive down livestock prices, especially at certain markets at one time or another. As a counter proposal, OPA suggested the lifting of federally inspected slaughter controls at any slaughterhouse if during a week the cost of livestock slaughtered fell as much as 25 or 50 cents per 100 pounds below the ceilings. WFA generally took the view that slaughter controls were to be put into effect as a last resort and were to be dropped or relaxed as supplies of meat increased or as Government requirements declined.

The slaughter-control program was one of the most difficult to administer of all the wartime food programs. During the 1943 fiscal year, 794 investigations were made for alleged or apparent violation of USDA food orders. Of the total 277, or more than a third, related to FDO No. 27 (14,p.9). OPA conducted more than 11,000 investigations

Summary of Principal Orders on Livestock Sales and Slaughter

Order	Effective Date	Termination	Description
Restriction Order 1 (OPA)	10/1/42 Transferred to USDA 4/1/43	Superseded by FDO 61 7/1/43	Required large slaughterers (those producing over 2,000,000 pounds of meat a year) to restrict deliveries to civilians during quarters to percentages of 1941 production in corresponding quarters. Federally inspected slaughterers were required to limit civilian deliveries of cutter and canner beef. Deliveries of canner and cutter grades of beef to civilians by noninspected slaughterers were limited to a certain percentage of their total beef production. Required slaughterers producing less than 2,000,000 pounds of meat annually to limit deliveries of meat to civilians to 100 percent of such deliveries in the corresponding quarter of 1941.
FDO 26	4/1/43	Terminated 9/30/43	Required permits for purchase or sale of livestock and the keeping of records of livestock sales.
FDO 27	4/1/43	Superseded by FDO 75 8/15/43	Required permits and established quotas for slaughter by local slaughterers. (Slaughtering 300,000 pounds live weight up to 2 million pounds of meat annually) for butchers, (small commercial slaughterers up to 300,000 pounds live weight a year) and farm slaughterers.
FDO 61	7/1/43	Superseded by FDO 75 8/15/43	Reissued Restriction Order 1 with relatively minor changes.
FDO 75	8/15/43	Quotas suspended 9/1/43 for 2 months. Suspension extended 1 month. Suspended indefinitely 11/23/43	Combined most of the provisions of FDO 61 and FDO 27 into one document. Set quotas for class 1 slaughterers (federally inspected) class 2 (local and butchers) and required class 3 slaughterers (farmers) to have licenses for slaughter for off-farm sale. Provided for limited Federal inspection of slaughtering operations in a plant.
Control Order 1 (OPA	4/30/45	Suspended 9/8/45 Terminated 12/27/45	Established quotas for nonfederally inspected slaughterers including farmers.
Control Order 2 (OPA)	4/28/46	Unlimited quota 6/30/46 Terminated 10/15/46	Set quotas for all nonfederally inspected slaughterers, except farm slaughterers.
WFO 75-7	4/28/46	Terminated 6/30/46	Set quotas for federally inspected slaughterers, except certified slaughterers.

and filed 1,026 civil and criminal suits against 1,361 defendants for violation of Meat Restriction Order 1 which was in operation for a 6-month period (7,p.324).

Allocation of Slaughter Animals.-- A deficiency of the price control and distribution programs for livestock and meat was the failure of the Government to work out a procedure to allocate livestock to slaughterers. With meat rationing working smoothly, allocation of supplies of meat to retailers could have been made. The Government's failure to work out an allocation scheme for live animals was due largely to the complexities of the problem. Through reports received by the Office of Price Administration and the Department of Agriculture, it is estimated that there were around 26,000 slaughterers (21), excluding some 4,000,000 to 5,000,000 farmers slaughtering or having animals custom-slaughtered for them. Any plan to allocate livestock to slaughterers would have been an intricate one -- it would have been necessary to include under the allocation not only slaughterers but livestock feeders also.

Although the need for allocating live animals to slaughterers was recognized as part of the price control problem and discussed early in the war, it was not until April 1945 that a plan for allocation was given thorough consideration. On April 25, 1945, the Economic Stabilization Director William H. Davis announced a 10-point program for the solution of current problems of meat prices and distribution. The Director pointed out that: "Under existing conditions of acute excess of demand over supply, competitive bidding of slaughterers for available animals has been more intense than ever before in meat history. This has been true even though slaughterers generally have complained that slaughtering is unprofitable and even though the payment of higher livestock prices increases the squeeze under existing meat ceilings. The payment of higher subsidies to slaughterers creates the danger that these funds will be used not to relieve the squeeze but to bid up the prices of live animals still further. This danger will be offset, and existing competition for animals lessened, by the provisions of today's program setting quotas for competition among federally inspected plants."

"To guard against the danger, the Economic Stabilization Director, as part of the new program, is directing the Office of Price Administration to prepare in consultation with the industry, plans for the fair apportionment of live animals among different federally inspected plants which can be put in effect at times when the pressure on livestock ceilings is severe, if such action proves necessary to protect the ceilings from breakdown." The release stated that such a plan would be put in operation only upon the Director's authorization. In the meantime, possible alternative measures for protecting the ceilings would be studied.

Slaughter quotas for nonfederally inspected commercial slaughterers already in operation served as a loose method of allocating livestock. When one of these had slaughtered his monthly quota he was required to stop slaughtering. Throughout most of the control period, federally inspected slaughterers had no restrictions on their volume of slaughter and "certified" slaughterers 25/ were specifically exempted from such controls.

Set-asides.-- The principal purpose of the Meat Restriction Order and the other slaughter controls was to provide adequate meat for the armed forces and the programs for which purchases were made by the Department of Agriculture. Other provisions of the Meat Restriction Order required quota slaughterers to restrict civilian deliveries of canner and cutter beef to a fraction of their total beef output so that more meat of this type would be available for boned and canned products for the armed forces.

Meat-distribution controls were later strengthened by issuing direct set-aside orders which specified how much of specific types of meat would be reserved for Government purchase. Meat and lard set-asides required federally inspected slaughterers to reserve a certain percentage of their weekly output for purchase by the armed forces, the Department of Agriculture, the Veterans Administration, the War Shipping Administration, and other war agencies. Other meat also was bought by the Government, chiefly by the armed forces, by submitting bids in the open market or by instituting priorities against slaughterers.

Specific set-asides resulted directly from the shortcomings of the Meat Restriction Order. Under MRO 1 the Government was the residual claimant. Slaughterers tended to offer Government agencies meats which were in relatively long supply and which were not necessarily the types and grades the Government wanted at that particular time. Also, the quota period under the Restriction Order was 3 months, which made it difficult for the Government to change the quantities made available as requirements changed.

In February 1943, procurement of lard lagged behind requirements and the first specific set-aside order was issued. It required federally inspected packers to set aside 50 percent of each week's production for the Government (FDO 20). A meat set-aside was issued (FDO 28.1) but it was rescinded 2 weeks before its effective date (March 13, 1943), so as not to reduce civilian supplies of meat at the beginning of rationing. This set-aside was never in operation. The first beef set-aside actually in force became effective June 14, 1943 (FDO 28.2). The first pork set-aside became operative in 1944. Set-aside orders for veal, lamb, and mutton became effective in 1945 and for canned meat in 1946. 26/

25/ Nonfederally inspected slaughterers who were given a status somewhat equal to federally inspected slaughterers under War Food Order 139.

26/ The set-aside orders were summarized by the PMA (23).

The set-asides required each federally inspected and "certified" slaughterer to offer specified percentages of different classes and grades of cattle, sheep, and lamb carcasses and cuts of pork for Government purchase. The percentages changed frequently as requirements changed and as slaughter fluctuated by seasons. The orders required meat so reserved to be prepared in the way specified. For example, hams were to be smoked for a specified period to fill export requirements. The set-aside meat was examined for conformance with specifications and accepted carcasses and cuts were taken by the Government at established ceiling prices. The rejects were released from the set-aside. The fact that the set-asides could be amended frequently and that they specified the reservation of specific grades and cuts made them very effective in securing meat for the Government. However, it was difficult to control the shift in slaughter from inspected to noninspected plants and requirements were so large that the Government took a large percentage of some grades of meat when production was low.

The set-aside program was modified in June 1945 so that meat purchased by war agencies would be made up of a larger percentage of the output of those plants in which production was large relative to a base period. These differential set-asides were developed as an aid to better geographical distribution of meat. Compliance under the orders was calculated on the basis of ownership of plants. Multi-unit slaughterers, which constituted the largest part of all federally inspected plants, could reserve meat for Government purchase at all of their plants, or from a few, at their own choice.

Shortages of meat and lard for civilians in some States required lower set-asides for slaughterers in those States than for the country as a whole or the exemption of certain States from the set-asides. For example, the beef set-aside in California, Washington, Oregon, Arizona, and New Mexico was reduced 27/, whereas in other States the set-aside was maintained or increased.

Packers who were in a deficit position on their set-asides were required to make up such deficits. The set-aside orders were amended to allow for the withholding of RFC meat subsidies from violators of the orders. 28/

Department of Agriculture Procurement

The Department of Agriculture, which had been buying meat and other livestock products for school-lunch and direct-distribution programs, was prepared to handle the procurement of meats for the Lend-

---

27/ Administrative Ruling No. 1, FDO 28.2, issued June 15, 1943.

28/ Amendment 38, WFO 75.2, issued May 17, 1946 effective May 20, 1946 (18,11;3511).

Lease Program and the other wartime food programs such as the Territory Emergency Program (Hawaii) and the Caribbean Stockpile Program (to insure adequate supplies of food for Puerto Rico, the Virgin Islands, the British, Dutch, and French possessions, and independent nations in the Caribbean area). The Department also bought meat for Red Cross prisoner-of-war packages and for some similar relief organizations. After 1940, little meat was bought for direct-distribution and relief purposes in the United States.

Meat purchases by the Department for the wartime programs began in early 1941 and increased greatly during the year. Purchases were made from packers on the basis of Federal specifications and, after meat price controls were imposed, at ceiling prices. They were prorated to packers on the basis of cost to the Government in part, total quantities produced, and civilian supplies by geographical areas. Departmental meat purchases continued to increase in 1941 and exceeded 2 billion pounds (product weight) in 1942. Purchases totaled almost 3 billion pounds in 1943 and 2.6 billion pounds in 1944.

Special consideration was given to meat products for export. The British wanted large quantities of Wiltshire sides and pork and soya links which before the war were produced on a very limited scale in this country. Overseas hams and bacon required long smoking which is not ordinarily done in this country. Considerable effort was devoted to development of production techniques for tropical lard, and for dehydrated meats. Greatly increased production of canned meat was required.

With the ending of lend-lease in August 1945, the Department of Agriculture continued to buy meat for shipment abroad to cash-paying foreign governments, such as the United Kingdom, France, and Belgium. 29/ The Commodity Credit Corporation also bought meat for UNRRA shipment, mainly to Russia, Poland, Italy, and Czechoslovakia.

Purchases of meat by the Department of Agriculture dropped sharply after mid-1946. On September 17, 1946, the Department announced that no meat would be allocated to foreign claimants from 1946 fourth-quarter supplies. Livestock had been marketed at a high rate in July and August, followed by sharply reduced marketings beginning September 1 when price ceilings were reestablished on meats. However, the Department continued to make meat available to foreign governments on previous commitments from supplies purchased earlier. Allocations to United States Territories and

---

29/ Some lend-lease shipments occurred in late 1945 and in 1946 to finish up the program and distribute food products on hand.

Table 11.-- Deliveries of meat and meat products to Commodity Credit Corporation, 1941-47

(Quantities officially graded for CCC, actual weight)

Item	1941	1942	1943	1944	1945	1946	1947
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Beef, fresh	-	6,729	18,475	28,099	109,299	168,601	-
Veal, fresh	-	305	22,291	24,852	12,279	8,926	-
Lamb, fresh	-	26,031	122,225	59,029	17,744	10,787	-
Pork, fresh	-	93,852	382,223	523,789	157,319	100,473	-
Canned meats	188,449	875,556	1,024,801	448,628	359,558	157,147	-
Cured meats	224,260	385,604	462,447	423,776	180,711	111,659	-
Lard & lard substitute	255,517	621,339	758,614	926,475	253,657	273,578	97,239
Edible tallow	-	19,319	13,453	-	-	-	-
Oleomargarine	1,129	59,082	109,002	158,723	72,818	22,048	7,947
Oleo oil	1,269	5,947	8,525	-	-	-	-
Beef suet	23	346	721	1,626	404	-	-
Calf's-foot jelly	-	25	-	-	-	-	-
Fatty acids	-	12	-	-	-	-	-
Total	670,646	2,094,147	2,922,777	2,594,997	1,163,788	853,219	105,186
Hog casings 1/	1,423	3,886	2,895	4,881	1,094	5	-
Beef bungs 2/	193	309	-	-	-	-	-
Horsemeat, canned and cured	-	-	-	-	-	31,701	23,245

1/ 1,000 bundles.

2/ 1,000 pieces.

Livestock, Meats and Wool Market Statistics and Related Data, 1945, (19) and records of PMA.

United States Government agencies also were continued. It was stated that the meat situation would be reviewed and, if supplies of meat increased sufficiently in the final quarter of 1946, the Government would make an effort to implement export of meat to foreign countries. The Department discontinued purchases of meats and meat products (except lard) for export to cash-paying foreign governments September 30, 1946. It continued to buy some meat for UNRRA and for United States Government agencies. No meat (except horsemeat) was purchased by the Department in 1947, but some lard was bought chiefly for European shipment.

Canned Meats.-- Increased canning facilities for meat developed during the war gave impetus to the increased postwar use of canned meat. Throughout the war, a wide variety of canned-meat meals and rations were developed to feed the armed forces. Products of this kind, little used in the civilian market before the war, that are now being produced include: Ham and candied sweet potatoes; ham and lima beans; pork and applesauce; pork and corn; pork and rice; ham, eggs, potatoes; swiss steak and gravy; and pork sausage patties and apples.

The volume of canned-meat products produced under Federal inspection in 1939, excluding soup, totaled 407 million pounds. In 1942, production had increased to 1,927 million pounds. As an aid to the increased canning of meat, the Government issued high priorities to processors for materials and equipment to increase canning faciltiies. A scarcity of tin plate, as well as a shortage of canned products for military use and for lend-lease shipment, resulted in restrictions on the use of tin for processing foods for the civilian market.

Tushonka.-- When lend-lease shipments of meat to Russia began in early 1942, the Russians wanted a canned-meat product, Svinnaya Tushonka, which was not generally produced in this country. Pork Tushonka was made by combining cubes of pork with a small amount of onion and garlic and a quantity of lard or pork fat equal to about a fifth of the total weight of the product. As the preparation of Tushonka required no special canning equipment, many plants offered this product to the Department of Agriculture for shipment under the lend-lease program, after specifications had been drawn up.

Contracts let by the Commodity Credit Corporation for the purchase of Tushonka in 1943 reached a high of 277 million pounds (net-product weight) compared with only 11 million pounds in 1942. In 1944, purchase contracts totaled 210 million pounds but in 1945 they dropped to 54 million pounds. The Department of Agriculture continued to buy relatively small quantities in 1946.

Table 12.-- Canned meat: supply and distribution, United States, 1937-48
(Net product weight)

Year	Federally inspected production 1/	Imports 2/	Beginning stocks	Total supply	Commercial exports & shipments 3/	Ending stocks	USDA Purchases 4/	Military Purchases 5/	Apparent civilian distribution 6/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1937	308.1	88.1	-	396.2	21.9	-	0	-	374.3
1938	303.5	78.6	-	382.1	22.8	-	0	-	359.3
1939	406.8	85.9	-	492.7	23.9	-	0	-	468.8
1940	530.2	61.3	-	591.5	20.2	-	0	-	571.3
1941	883.9	104.3	-	988.2	26.7	-	188.4	75.5	697.6
1942	1,926.6	91.6	-	2,018.2	19.8	-	875.6	920.5	202.3
1943	2,051.2	105.5	-	2,156.7	9.9	-	1,024.8	680.5	441.5
1944	1,930.7	87.7	-	2,018.4	13.2	17.7	448.6	1,121.0	417.9
1945	1,926.1	54.8	17.7	1,998.6	13.5	18.1	359.6	970.9	636.5
1946	1,342.3	3.3	18.1	1,364.2	55.3	22.6	157.1	19.2	1,110.0
1947	1,099.4	28.7	22.6	1,150.7	64.3	27.3	-	31.1	1,028.0
1948	1,096.0	129.0	27.3	1,252.3	35.4	28.0	-	52.8	1,136.1

1/ Beef, pork, sausage, all other excluding soup, and Army rations; federally inspected production includes a large part of total production and all of the supply for purchase by USDA and the military.

2/ Includes canned beef only.

3/ Department of Commerce data; for 1941-46 figures are total exports and shipments minus lend-lease and UNRRA.

4/ Canned meats and meat products officially graded for CCC. Does not include transfers of meat from the military to CCC or small quantities turned back to civilians, or transferred to the military. Purchases from United States supplies and imports.

5/ From "Statistical Yearbooks of the Quartermaster Corps" and other military records; War Meat Board, and other Department of Agriculture figures. Items shown are not a complete listing of all canned meats bought during the war years, but cover practically all of the canned meats bought for mass troop feeding. Includes imported canned meat and Army rations. Includes some meat later transferred to CCC and UNRRA. Purchases from United States supplies or imports.

6/ From federally inspected supplies and imports.

Livestock and Meat Situation (10).

The CCC also bought beef Tushonka for lend-lease shipment to Russia. Purchases, however, did not begin until 1944. Contracts let in that year totaled 34 million pounds; in 1945 purchases were slightly less. Beef Tushonka is prepared in the same way as pork Tushonka. Beef cubes are substituted for pork and beef suet is substituted for the lard in pork Tushonka. Both pork and beef Tushonka were welcomed by the Russians, whose diets were deficient in fats and oils. It is reported that most of the Tushonka was used by the Russian armies. The fat and lard portion of the product supplied the spread for the soldiers' bread. It is generally agreed that Tushonka is too fatty to suit the tastes of most people in the United States.

Table 13.-- Contracts let by Commodity Credit Corporation for the purchase of Tushonka, 1941-45
(Canned-net product weight)

Year	Quantity	
	Pork	Beef
	Pounds	Pounds
1941	0	0
1942	10,925,758	0
1943	277,378,426	0
1944	210,456,563	34,377,076
1945	54,424,716	33,049,282

Records of the Meat Merchandising Division, Livestock Branch, PMA

Dehydrated Meat.-- A shortage of ocean-shipping space, especially refrigerated space, during the early part of the war fostered the dehydration of meats for overseas shipment. Dehydration of meat, and especially of pork, was pioneered during the war and it was necessary to develop techniques for its production on a large scale (15). Both beef and pork were prepared in this way, resulting in a concentrated meat product a fourth or a fifth as heavy as fresh meat and occupying about half as much space. Dehydrated meat has an added advantage in that it keeps for a long time in ordinary dry storage.

To stimulate production of dehydrated foods for the armed forces and for lend-lease, the War Production Board authorized high priorities for materials necessary for this process. The meat-drying equipment was installed primarily in meat-packing or processing plants.

A total of almost 30 million pounds of dehydrated pork and 99,000 pounds of dehydrated beef were bought in 1942-44 by the Department of Agriculture. This meat was produced in 16 plants operated by 8 firms. Two plants operated by two firms at Chicago supplied dehydrated beef to the Department as well as dehydrated pork. Most of the plants producing dehydrated meat were located in the Midwest. Five plants were in Chicago, 1 in Georgia, and 1 in Texas. In the last 2 years of the war little emphasis was placed upon procurement of dehydrated meat. No dehydrated beef was bought in 1944 and no dehydrated pork in 1945. Manufacture of dehydrated meats was definitely designed to fit a particular wartime need. Use of dehydrated meat in peacetime evidently will be limited.

Location and number of plants selling dehydrated meat to the Department of Agriculture in 1942-44 were as follows:

Location of plant	Number of plants
Illinois	7
Kansas	2
Iowa	1
Missouri	1
Minnesota	1
Nebraska	1
South Dakota	1
Georgia	1
Texas	1

Records of the Meat Merchandising Division, Livestock Branch, PMA.

Table 14.— Contracts let by CCC for purchase of dehydrated meat, 1941-44 (Actual weight basis)

Year	Beef	Pork
	1,000 lb.	1,000 lb.
1941	0	0
1942	80	1,265
1943	1/ 19	1/ 16,451
1944	0	11,992

1/ Production of dehydrated meat in 1943 was estimated at 18,850,000 pounds. Food Program for 1944, War Food Administration, February 15, 1944, p. 39.

Records of the Meat Merchandising Division, Livestock Branch, PMA.

Purchase of Draft Animals.-- Almost 164,000 head of horses and mules were purchased by the Production and Marketing Administration in 1946-47 for European shipment under the UNRRA program (2,p.17). PMA offered contracts to low bidders on the basis of cost delivered at port. Purchase lots were 300 or more. Department officials inspected the animals at shipping origin, loaded them on ships, graded feed for them while at ports, and bought and graded feed for the ocean voyage.

Table 15.-- Purchase of horses and mules by PMA, January 1946-February 1947

Animal	Head	Cost	
		Average	Total 1/
	Number	Dollars	1,000 Dol.
Mules	15,000	110.00	1,650
Horses	148,870	86.13	12,822

1/ F.o.b. railway cars at point of origin.

Report Livestock Purchase Program Conducted on Behalf of the United Nations Relief and Rehabilitation Administration by the Foreign Economic Administration (USCC) and the U. S. Department of Agriculture (CCC) May 1945 to April 1947. USDA, PMA, Livestock Branch, Washington, D. C. April 1947, p. 29.

Besides the PMA workstock purchase program, UNRRA acquired surplus mules from the Army in Hawaii and in Italy. Some of the mules were shipped to China. Before 1946, the United States Commercial Corporation purchased in this country around 10,000 horses and a few hundred mules for the UNRRA program. Most of these animals were shipped to Europe.

Purchase of Horsemeat.-- The Commodity Credit Corporation bought horsemeat to meet requirements of the UNRRA program, and later the ECA program. The purchase program for UNRRA began in February 1946, and the final purchase contracts were let in September of that year. Around 40 million pounds of pickled and canned horsemeat were procured. These large purchases of horsemeat required additional slaughtering facilities. Nine federally inspected plants were slaughtering horses in mid-1946, compared with six in each of the preceding 3 years. By June 30, 1947, the number had increased to 20. Large numbers of horses were slaughtered in 1941-46 because of scarcities and high prices of other meats and relatively low prices of horses. Commercial exports and shipments of canned and cured horsemeat to Europe during 1947 were large. The CCC resumed the purchase of horsemeat in the United States in 1947-48 and most of this was delivered to northern European countries under the ECA program.

Army Procurement

From the end of World War I until 1940, purchases of meat by the Army were not an important factor in the United States market. Army buying was decentralized to local installations. Local camps and installations made contracts for meat largely on the basis of 30 to 60-day bids for indefinite quantities of specified products. Such contracts were quite speculative to the suppliers because of the long time between contract and delivery date and because the supplier did not know exactly the quantity of product that the military post would take at delivery time. A marked increase in requirements of the armed forces at the time of mobilization for World War II required a more centralized coordination of military purchases. The new purchase contracts allowed a maximum of 12 days between award and delivery date.

Before "Pearl Harbor" the Army had altered its meat-buying policy to allow for the purchase of a wider range of products, such as spiced ham, heifer beef, lightweight beef, heavy lamb carcasses, and Army rations. Army purchase specifications were further reduced as the war progressed, and the Army began using the Standard Federal meat specifications instead of their own.

In December 1940, plans were formulated for a market-center purchase program. 30/ The general plan consisted of a central purchasing and control center, with field headquarters located at Chicago and numerous other market-center purchase offices scattered throughout the United States and in other countries. The market centers began buying food in early 1941. However, no meat was bought by them until early 1942.

Under the market-center system the Army became the purchasing agent for the Navy, Marine Corps, Coast Guard, and War Relocation Authority, and it occasionally bought for the War Shipping Board and the Veterans Administration. Centralized military purchases coordinated buying operations and reduced Government competition.

Before March 1943, the bulk of the market-center meat buying had been transacted at field headquarters. Most had been bought from large federally inspected packers. In March 1942, the market centers

---

30/ The market-center program was planned by the Office of the Quartermaster General and the Office of Production Management.

began to buy carlot quantities of meats, except boneless beef, defense hams and bacon, and canned meat and lard. In October 1942, market centers were buying all meats except boneless beef. Decentralization of meat procurement followed the issuance of the first specific meat set-aside order which required purchases to be made from virtually all federally inspected plants. Field headquarters continued to have direct supervision over purchases made by market centers, to see that prices paid were at ceilings and that centers bought in their own territories. Field headquarters advised the centers of surplus supplies and tried to fill their deficits. They also tried to effect savings in transportation, particularly at market-center distribution points, by filling mixed carlots at packing centers and shipping direct to camps and other installations.

The number of market centers varied. In June 1945 there were 32. On June 30, 1946, the number had declined to 12. The market centers bought food for as many as 590 military establishments both in the United States and abroad. The maximum number of men supplied at any one time was close to 6 million.

Army Market Centers, June 1945

Eastern Area

Baltimore, Md.	Miami, Fla.
Boston, Mass.	New York, N.Y. 1/
Columbia, S. C. 1/	Orlando, Fla. 1/
Columbus, Ga.	Philadelphia, Pa.
Fayetteville, N. C.	Richmond, Va. 1/
Jacksonville, Fla.	Syracuse, N. Y.

Central Area

Alexandria, La.	Nashville, Tenn.
Chicago, Ill.	New Orleans, La. 1/
Fort Worth, Tex. 1/	Oklahoma City, Okla.
Kansas City, Kans. 1/	San Antonio, Tex.
Louisville, Ky.	St. Louis. Mo.
Memphis, Tenn. 1/	Edmonton, Canada

Western Area

Denver, Colo. 1/	Salt Lake City, Utah
El Paso, Tex.	San Francisco, Calif. 1/
Los Angeles, Calif. 1/	Seattle, Wash. 1/
Phoenix, Ariz.	Spokane, Wash.

1/ Market centers in operation June 30, 1946.

The Army had considerable difficulty in filling its requirements for boneless beef, the largest single meat item purchased. Preparation of boneless beef resulted in economies in transportation, and ease in preparation and serving. In this way, the Army could also utilize a larger proportion of the lower grades. Standard practice was to bone a carcass into 40 percent roasting and frying cuts, 30 percent stewing and boiling cuts, and 30 percent chopped beef. The roasting and boiling cuts were packed in boxes weighing 45 to 55 pounds each. The chopped beef was packed with five 10-pound loaves to the box.

Beginning in 1943, the Army was unable to buy as much boneless beef as it wanted and by early 1945 the situation became even more acute. To reduce requirements some Army installations in the United States stopped serving boneless beef during 1944. Some market centers were authorized to buy the product which was bought mostly by the field headquarters at Chicago. The shortage was accentuated by losses of meat in the Battle of the Bulge. Stocks were low. In late 1944, stated requirements for boneless beef for the year 1945 were 800 million pounds. Special steps were taken by the Army to increase output and procurement. These included:

(1) A vigorous press and radio publicity program to point out the special meat requirements of the Armed Forces.
(2) Army legal officers were detailed from field headquarters to help enforce set-asides and expedite boning by locating facilities or other means.
(3) The Army began boning some meat. For example, German prisoners-of-war in Seattle and American soldiers in Richmond did such work.
(4) Army overseas veterans visited meat plants to stimulate production.
(5) Enlisted men were furloughed to be boners in meat plants.
(6) The Army sold carcasses to boners.
(7) The Army induced the War Manpower Commission and other Government agencies to grant higher wages for packinghouse workers and to give such laborers higher priorities.
(8) The Army induced OPA to grant higher prices for boned meat and greater margins for custom boning.

Other proposals of the Army discussed in early 1945 for stepping up production and purchases of boneless beef included:

(1) Tightening of the kosher definition and administration of kosher classification. Providing for delivery of hind quarters of kosher kill to the Army.
(2) Tightening WFA slaughter-licensing permits and limiting the number of new licenses.

(3) Regulation of hotels and restaurants to minimize duplication of rations. That is, the Army advocated rationing of meat dishes to cafe patrons. They also discussed limiting the sale of rationed meat in places of public entertainment.

(4) Tightening WFA restrictions to prevent diversion of meat to unauthorized users under the set-asides.

Average weekly production of boneless beef for the Army in 1944 was 11,000,000 pounds and peak weekly purchases were 15,900,000. Average weekly requirements in the first 26 weeks of 1945 were set at 15,900,000 pounds. The Army held conferences with most of the packing and boning plants and prorated the purchase goal to individual companies. The goals were 70 percent to be filled by the four big packers, around 13 percent by nine other big packers and the remaining 17 percent by smaller packers. Production of Army boneless beef in the first half of 1945 totaled 399 million pounds. Weekly production averaged 15.3 million, ranging from 8.5 million to 19.4 million. The four big pakcers produced 64 percent of that total, the nine other big packers produced 8 percent, and the remaining 28 percent was produced by other firms.

The Army went to a great deal of effort to buy boneless beef in Mexico in 1945. For years United States sanitary regulations have prohibited the importation of meat from that country. Hence the Army had to make special arrangements to get inspection and freedom from customs before any beef from Mexico could enter the country. A contract for 2.5 million pounds of boneless beef was actually signed with an establishment of Jaurez. The plant got into operation in the fall of 1945 when Army needs were slackening. The contract was terminated in September after around 100,000 pounds had been delivered.

Procurement of rations by the Army presented special problems. Needs of the Army for canned meat products, together with the requirements of the Department of Agriculture for export, strained the Nation's canning facilities. To add variety to the troops' diet, many new canned-meat products were developed.

Three types of rations containing meat were commonly used by the Armed Forces--ration C, ration K, and 5 in 1 or 10 in 1. Each ration C contained three 12-oz. cans of "M" items, which may have been pork and rice, meat and vegetable stew, ham and lima beans, or others. A ration is sufficient to feed one man for three meals. Each ration K contained three 4-oz. cans of meat items. The 5 in 1 and 10 in 1 rations were made up of a variety of canned-meat items of varying can sizes.

Table 16.-- Meat Component of ration C

Number	Description	Weight per can	Per 1,000 rations 1/ Units	Approximate weight of meat
		Ounces	Number	Pounds
M-1	Meat and beans	12	166.6	125.0
M-2	Meat and vegetable hash	12	---	---
M-3	Meat and vegetable stew	12	333.3	250.0
M-4	Ground meat and spaghetti	12	333.3	250.0
M-5	Ham, eggs, and potatoes	11.5	333.3	240.0
M-6	Meat and noodles	12	333.3	250.0
M-7	Pork and rice	12	333.3	250.0
M-8	Frankfurters and beans	12	333.3	250.0
M-9	Pork and beans	12	166.6	125.0
M-10	Ham and lima beans	12	333.3	250.0
M-11	Chicken and vegetables	12	333.3	250.0

1/ A ration feeds one man three meals.

Ration C is a combat ration, designed for use where no mess facilities are available (9). The ration is packed in six small cans which provide one man's daily requirements. Three of the cans contain a variety of "M" items containing meat, one for each meal. The remainder of the ration consists of "B-components" which include biscuits, beverage, sugar, confection items, premixed cereal, and jam. The development of ration C was begun in 1938.

Ration K was developed for use by paratroopers, but it became widely used for ground- troop feeding. Principal requirements of this ration were that it be light in weight and be securely packed to withstand rough handling. This ration weighs only 3 pounds, 2 ounces, for three meals and provides 2,830 calories per ration. Each breakfast, dinner, and supper contains 4 ounces of either meat, meat and egg product, or cheese spread, together with biscuits, confections, gum, and beverages with sugar. 31/

31/ The principal meat components of ration K packed in 3-3/4 or 4-ounce cans are: Beef and pork loaf, chop suey, deviled meat, chopped ham and eggs, fried ham, pork luncheon meat, corned pork with carrots and apples, pork and egg yolks, chip steaks, and pork steaks.

Ration 5 in 1 or 10 in 1 was designed to serve troops in areas in advance of the field kitchens and it was intended for the feeding of small groups. The ration is packed as 10 in 1 (3 meals for 10 men) or 5 in 1 (3 meals for 5 men). Each case of 10 in 1 ration contains one of 5 distinct menus making possible 15 different meals. Each menu is a combination of 16 canned-meat items, 3 types of biscuits, 5 types of puddings, 5 kinds of cereal, jam, vegetables, butter spread, sugar, milk, beverages, confections, and accessory items.

Ration D, a survival ration, replaced the "Armour Ration" of World War I, which was composed largely of evaporated beef and parched, cooked wheat, to which was added a small quantity of sweetened chocolate. Each ration D contains three 4-ounce chocolate bars containing sugar, milk powder, cocoa fat, oat flour, vanillin, and Vitamin B-1.

Table 17.-- Meat component of illustrative 10 in 1 rations

Number of menu	Principal ingredients (canned)	Units	Net product weight
		Number	Ounces
6	Bacon, canned sliced	2	24
	Beef and gravy	2	34
	Ham chunks	2	34
7	Bacon, canned sliced	2	24
	Beef and gravy	2	34
	Frankfurters, canned	2	22
8	Ham and eggs	2	34
	Hamburgers with gravy	4	16
	Pork and gravy, canned	2	34
9	Sliced bacon	2	24
	Roast beef	2	24
	Meat balls and spaghetti	2	34
10	Ham and candied sweetpotatoes	2	34
	Pork-sausage links	2	32

Table 18.-- Purchases of principal rations by the armed forces and other war agencies, 1941-47
(Net product weight)

Year	Ration C	Ration K	Ration 10 in 1	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1941	13.5	-	-	13.5
1942	173.3	34.8	-	208.1
1943	119.4	22.7	39.3	181.4
1944	133.0	78.3	126.9	338.2
1945	153.8	49.0	127.5	330.3
1946	-	-	-	-
1947	1.0	-	-	1.0

Meat Supply and Distribution by Quarter-years, United States, 1941-47 (20).

Filling the over-all meat requirements of the large Army and Navy was a big problem. It was particularly difficult to buy needed supplies before the set-aside orders of the War Food Administration were in force. In late 1942, the Army resorted to priorities to fill its requirements for beef. Purchases made under these priorities were at ceilings established by OPA. Packers filed claims to substantiate losses on such purchases. This eventually led to a revision of ceiling prices for Army purchases. Voluntary offers from vendors did not obtain needed quantities of meat in early 1943. In February, the Army authorized the market centers to issue WPB, A-10 priority ratings to get beef, pork, veal, and lamb. In the autumn of 1943, the Army again resorted to rated orders to get pork. Requisitioning of beef from some packers was tried in late 1943 with very poor results. "For example, 22 packing houses allegedly failed to supply the War Department with 3 million pounds of beef for use by the armed forces. After refusal to honor these purchase orders it was necessary to requisition the beef, . . ." Again in May 1943, the Army attempted to buy 500,000 pounds of beef carcasses from eight large meat-packing companies at ceiling prices. Four of the companies refused to deliver meat on the grounds that it would have resulted in a financial loss to them. The remaining four companies delivered only about 18 percent of the Army's requirements, although they had enough meat to fill the orders (14,p.10). The beef requisitions proved to be test cases to determine the Government's right to requisition private property. The requisitions brought on a series of court cases which were not settled for some time. But the courts in general held that the Government had authority to requisition supplies of meat. In 1944-46, the Army supplemented the set-asides with priorities to obtain relatively small quantities of meat.

Some administration officials proposed a central purchasing agency in the Government to buy for lend-lease and for the armed forces. This proposal was resisted by the Army.

Meat Rationing

Civilian supplies of meat became short of the demand at ceiling prices in mid-1942, especially in areas of deficit production. This situation was due principally to the combination of large requirements for meat for the armed forces and for lend-lease shipment, and increased demand for meat by domestic consumers. Regional distribution of meat supplies was particularly uneven because of the imposition of price ceilings. It was the view within the Department that some program of curtailed consumption of meat would have to be inaugurated, if price ceilings were to be maintained in the face of the greatly increased demand for meat and if Government requirements were to be filled. Meatless days or formal ration appeared to be the only alternatives.

As it would take some time to get a program of formal meat rationing into operation, Department of Agriculture officials suggested that a program of meatless days should be started, which perhaps could be terminated during the period of seasonally large slaughter from October to February. It was felt that equitable distribution of the limited supplies of meat would be difficult for the duration of the war and formal consumer rationing appeared to be the only satisfactory alternative.

The Secretary of Agriculture, as Chairman of the War Production Board's Foods Requirements Committee, announced a voluntary plan for meat conservation September 1, 1942, to be followed in due time by rationing. Civilians were asked to consume no more than 2½ pounds of meat per person per week.

Responsibility for determining "the need and the amount of food available for civilian rationing" was transferred to the Secretary of Agriculture by Executive Order 9280, issued December 5, 1942. This authority was limited, however, by provisions in the Executive Order requiring the Secretary to consult with the Price Administrator before making decisions on rationing and by specifying that the rationing programs were to be carried out by the Office of Price Administration (18,8:3471).

OPA instituted point rationing of meat, along with butter, cheese, canned milk, canned fish, edible offal products, and fats and oils on March 29, 1943 (18,8:3591). Consumption of these commodities was controlled with red ration coupons and canned fruits and vegetables were controlled by blue ration coupons. Poultry and fresh fish were not rationed.

Under rationing each consumer was issued a set of ration books. Specified coupons from designated books were needed to buy meat. The coupons became valid at certain dates for use during a monthly period or other time interval. Each coupon was worth a specified number of ration points. The consumer presented his coupons to the butcher who took a certain number of points per pound as prescribed by the OPA which varied according to the kind of meat the consumer bought. The butcher made change in red ration tokens. The quantity of meat a retailer received was based on the number of ration points he was able to take in. The quantity of meat a retailer received from a wholesaler or slaughterer was based upon the number of ration points he had been able to accumulate.

It was not possible to achieve even distribution of civilian meat supplies under point rationing alone. Consumption of meat tended to be relatively greatest in the areas nearest production. Set-asides from the output of federally inspected slaughterers (for Government purchase) restricted the civilian meat supply most in areas that relied heavily on federally inspected supplies. In areas in which nonfederally inspected production of meats was large, the supply for civilians was relatively greater.

Other factors that contributed to the unequal distribution of meat by geographical areas were: (1) Ceiling prices that did not allow for normal geographical price differentials, largely within OPA regional price zones; (2) higher allowable ceilings on meat delivered to hotel supply houses, which resulted in relatively larger supplies available for restaurants than for household consumers; (3) black-market sales at above-ceiling prices and/or without surrender of ration coupons.

In order to reduce the administrative load for the meat-price program of OPA, the United States was divided into several price zones. Retail prices set for meat in all areas of each zone were equal. For example, prices at New York City and Boston were set at the same level under ceilings. Under a free market, prices of meat in Boston tend to be slightly higher than at New York City. Under ceiling prices, meat distributors would tend to send supplies to that part of an OPA price zone where their costs were lowest. However, they were prevented from doing this to some extent because of fear of the loss of peacetime markets and the disuse in some areas of their facilities for distribution.

Meat allocation and rationing programs were closely related. It was the view originally that rationing could be used to control the civilian supply, that by adjusting ration points the supply going to civilian channels could be controlled and stocks of meat built up during periods of peak production and withdrawn during times of light slaughter. It was soon apparent that the cold-storage facilities of the country were inadequate for any great accumulation of meat and that if it were not allowed to flow out of the rationing system into consumption legally, it would do so through black-market channels. It finally became accepted that the rationing system was not strong enough to control the total quantity of meats consumed by civilians, that it would only distribute supplies more equitably.

The meat allocations provided for peak purchases by the armed forces and WFA during periods when production was seasonally large. This would leave civilians with more uniform supplies throughout the year. However, this objective could not always be carried out. A shortage of refrigerator shipping space developed in the late winter and spring of 1944, so that storage facilities for meat became overtaxed and purchases for export had to be reduced. This, combined with record large production and other factors, resulted in the decision to remove most meats from rationing in the second half of 1944. The military also failed to purchase its full allocation during the last quarter of the year. For the year 1944 as a whole, civilians in the United States received the largest quantity of meat per person in 35 years. The relaxation of rationing in 1944 and the reduction in stocks were partly responsible for the strict rationing of meats in 1945. However, the reduction in stocks was small in relation to a decline in production of 1.5 billion pounds from 1944 to 1945. Storage space for holding meat was not adequate to carry over such large supplies and there was little incentive for packers to store meat under price ceilings which provided for no seasonal price changes.

Deliveries of meat to hotel supply houses were controlled by OPA rationing regulations and quotas were set for institutional users and manufacturers of products containing meat. Exports of the Bureau of the Census showed that in 1939, 9 percent of all meat delivered by the wholesale meat-packing industry was delivered to institutional users (1,p.63). During meat rationing, OPA alloted roughly 20 percent of the meat ration points to institutional users and cafes. The exact use of meat by these users was not known. Consumption of meat in cafes increased greatly during the war because of the many troops and others traveling, the high wartime incomes, and scarcities of meat for households.

It was the view of many that, when rationing of meat became effective, other aids to distribution of the available supply would not be needed. Adjustment of point values would be the only thing needed to obtain even distribution. Point-value adjustments did even out supplies of meat when the gap between supply and demand was small (in 1944 for example). However, when supplies of meat fell far below demand in the summer of 1945, all the aids to distribution--rationing, slaughter controls, quotas for cafes, hotels and similar users, and quotas for institutional users--did not achieve even distribution of the meat supply by areas. A severe shortage existed in cities which depended largely upon federally inspected supplies. There was a shortage of fat back in the South because Chicago restaurants were serving fried fat back in place of unobtainable bacon. City people were buying meat from their relatives in the country. Cold-storage lockers were being filled with point-free meat.

One controversy in the rationing program was whether to ration meats separately from fats and oils and dairy products (cheese, butter, and canned milk), or whether to ration all meats, fats, oils, and dairy products as a group. The latter was done during all of the rationing period. A separation allowing meat to be rationed as one group, and fats, oils, and dairy products as another would have permitted more definite and accurate control over both the meat-ration system and the fats, oils, and dairy-products systems. Rationing fats, oils, and dairy products as a group gave ration-book holders more latitude to distribute purchases and it minimized adjustments in point values. Considering the magnitude of the task, rationing all these foods under the red ration stamp plan actually worked very well, except in the case of butter rationing. Point values were adjusted to limit the demand for each particular item. The setting of high points on butter was necessary, however, in an effort to get good distribution of the butter supply in those areas far from producing centers. The setting of high points tended to create black-market dealing in butter.

The Office of Price Administration resisted pressures to increase meat rations for workers in heavy industries. However, when production of coal lagged behind requirements in 1945, at a time when meat rations were lowest for the war period, miners struck for larger meat rations, which were granted. In many countries, under wartime rationing, special food allotments were given to persons engaged in certain types of work. But in the United States, the average diet was materially better than in many other countries. OPA issued special meat rations to persons who were ill when a doctor certified to the need.

Removal of meats from rationing November 24, 1945, was in large degree responsible for the difficulties in controlling black marketing in meat in the next year, the poor distribution of meat, and the difficulties in meeting the meat-export goal. It contributed in part to the break-down of the whole price-wage stabilization program in 1946. The decision to remove meat from rationing resulted from the cut-back in meat requirements by the armed forces after V-J Day, the prospect of larger meat supplies with seasonally large marketings, record production of poultry, and prospects for record supplies of eggs. It was thought that curtailed purchases by the Army of canned meats and the seasonal large run of grass-fat cattle would result in prices of lower-grade beef falling below the ceilings. 32/

The meat-supply situation did not ease as much as had been anticipated. On December 20, 1945, the Bureau of Agricultural Economics (11) reported, "Civilian demand for meats is so strong, particularly since the end of rationing on November 24, that procurement to fill Government needs has been difficult." Demand for meat continued exceptionally strong throughout 1946 and the meat supply situation was aggravated by the small slaughter in May and June and again in September and early October.

The even distribution of meat supplies under the rationing program helped to a large degree to control prices of meat. When supplies were poorly distributed black markets flourished. The inability of the OPA to enforce price ceilings on meat, particularly beef, was one of the reasons advanced by Congress for curbing the powers of OPA. The freeing of meat and other foods from price control paved the way for removal of price ceilings from other products and the removal of wage controls.

Stockpiling of Meat

On July 17, 1941, Secretary of Agriculture Claude R. Wickard in a memorandum to H. R. Tolley, then Chief of the Bureau of Agricultural Economics pointed out the desirability of building up a stockpile of canned and cured meats. However, little concrete action was taken. Limited storage facilities for Government-purchased meat and lard in the winter and spring of 1943-44 made it difficult for the Government to live up to its price-support commitment for hogs. The result was a surplus of pork and lard in the winter and spring of 1943-44, which was followed in 1945 by a severe meat shortage. Government policy-making officials feared they would have burdensome food stocks on hand at the end of the war and that they might be faced with the problem of buying more food products to support prices in the domestic market in the postwar period. As it developed, UNRRA and ECA were willing to take great quantities of meat for shipment abroad for relief purposes, and these outlets would have disposed of a large quantity of canned meat in a stockpile. A stockpile of meat would have evened out domestic consumption in 1944 and 1945. It would have provided more meat for consumers in June, September, and October 1946, when livestock marketing was unusually low as a result of price decontrol and temporary recontrol.

32/ Announced by USDA November 23, 1945.

The inadequacy of cold-storage facilities made it difficult to store meat during periods of large production for withdrawal during periods of small supply. Adjustment of ration-point values, however, resulted to some extent in accumulation or withdrawal of stocks. Normally, about November, packers' stocks of meat are the lowest of the year. Storage stocks increase in winter, during the peak of slaughter, and reach a seasonal peak about March. Storage holdings then decrease steadily, reaching the usual low in the late fall. Packers modify their storage operations depending chiefly upon the outlook for meat prices in future months. Profits from the storage operation depend mainly upon a seasonal rise in meat prices during the summer and early fall. With fixed ceiling prices that allowed for no seasonal price changes there was little incentive for packers to store meat during periods of surplus production, for sale when meat was in seasonal light supply. Consequently, only when meat was selling below ceilings did packers have much incentive to accumulate stocks.

The shortage of facilities for storing military meat supplies became critical at various camps soon after the Army was mobilized. In January 1941, a program of expansion of Army-owned storage space was inaugurated. Although cold-storage facilities of the military forces increased many times over there was never enough space to permit any material stockpiling of foods when they were at peak strength.

Elaborate programs were necessary to store Government and commercial stocks of perishable foods in late 1943 and in 1944. A Nation-wide campaign was conducted to get warehousemen to utilize space more efficiently and specific suggestions for using such space were made. The War Food Administration reported on the adequacy of warehouse space by areas. The Government issued special priorities for materials and equipment so warehousemen could expand facilities.

Several Government orders were issued regulating storage of meat and meat products. Food Distribution Order 48 (issued April 6, 1943) was designed to prevent federally inspected slaughterers from increasing stocks of meat (18,8:4499). The order was designed to supplement MRO 1 by encouraging sales to Government agencies rather than for packers to accumulate stocks in storage anticipating an increase in ceiling prices. When the slaughter quota regulations were transferred to WFA and specific set-asides on meat were issued, FDO 48 was no longer needed. It was suspended on September 3, 1943 (18,8:4319).

Other orders were designed to relieve shortages of cooler and freezer space in cold storage warehouses. FDO 70 and FDO 70.1, issued July 31, 1943, prohibited the storing of sterile canned meats and other semi-perishable foods in public cold storage space for more than a few

Table 19.-- Total refrigerated warehouse space, United States, June 16, 1941 1/

Plant	Units reporting	Space held at temperatures (Fahrenheit) of: Zero & below	1° to 10°	11° to 29°	30° to 44°	45° & above	Total gross space
	Number	1,000 cu. ft.	1,000 cu.ft.	1,000 cu.ft.	1,000 cu.ft.	1,000 cu.ft.	1,000 cu.ft.
Cold storage							
Public	803	84,379	28,382	16,398	239,129	3,483	371,771
Private	426	4,198	2,769	1,236	34,035	1,735	43,973
Private and some public business	230	4,422	4,212	1,060	37,793	920	48,407
Meat-packing	407	11,948	16,266	17,070	193,971	45,488	284,743
Also public cold-storage business	13	3,162	1,958	1,663	10,287	419	17,489
Total	1,879	108,109	53,587	37,427	515,215	52,045	766,383

1/ Since 1921 there had been an increase of 223,000,000 cubic feet, or 41 percent, in the gross refrigerated space in cold-storage warehouses and meat-packing plants in the United States. Of the 766,383,000 cubic feet of gross space shown in the tabulation, about 72 percent was net piling space.

Agricultural Statistics (13,1942:819).

days (18,8:10703,10704). The Administration issued another order, effective December 24, 1943, which also was designed to alleviate the crowded condition of cold-storage freezer space. The order excluded certain meat items from freezer space, and limited to 10 days the period in which other low-valued meat offals, horsemeat, lard, and other fats and oils could be held in freezer storage (below 30 degrees). 33/ Storage of any food was limited to a maximum of 10 months. 34/ The provisions of Food Distribution Orders 70, 70.1, 90, and 90.1 were combined and reissued as WFO 111 and WFO 111.1 in August 1944 (18,9:10761,10762). These orders also prohibited the storage of any commodity in lots smaller than 300 pounds in freezer space in public warehouses.

On July 6, 1944, announcement was made of WFA arrangements to lease an abandoned limestone mine near Atchison, Kans., to be converted into storage space for agricultural commodities held by the Government. The mine was put into operation, and lard, salted fat cuts, and other cured meats were among the first items stored in the new space. The mine has a capacity of 12 million cubic feet, or enough space to store 3,000 to 3,500 carloads of food. Development of the cave was expected to increase cold storage facilities in the United States by about 9 percent.

Cooler storage space in meat-packing plants for the country as a whole was 96 percent occupied on July 1, 1944. Freezer storage space in meat-packing plants was 89 percent occupied.

MARKETING POLICIES

Increased Federal Inspection

The Fulmer Act (17:56:351) authorized the Secretary of Agriculture to provide Federal meat inspection during the war emergency to meat-packing establishments engaged in intrastate commerce only, in order to facilitate the purchase of meat and meat food products by Federal agencies. The act was approved June 10, 1942.

During the year following the passage of the Fulmer Act, 183 meat-packing establishments came under Federal inspection. The number further increased during the two subsequent years until on June 30, 1945, the total number of federally inspected plants (including nonslaughtering plants) was 1,050 compared with 659 on that date in 1942. 35/ Part of

---

33/ FDO 90 and FDO 90.1 (18,8:17335).

34/ FDO 70 Am. 2, issued Mar. 21, 1944, effective Mar. 22, 1944 (18,9:3187).

35/ Excludes plants certified under WFO 139.

the increase resulted from placing under Federal inspection all plants producing more than 51 cattle carcasses a week which met Army-purchase specifications. The War Food Administration in 1944 required such plants to have limited Federal inspection on their beef-slaughtering operations. 36/ Because of greatly increased requirements for canned meat, the increase in the number of nonslaughtering plants was greater than that for the plants conducting slaughtering.

Many plants that operated under Federal inspection under the Fulmer Act and with limited inspection on their cattle slaughter discontinued Federal inspection after the war emergency. However, a net increase in the number of federally inspected plants resulted. Some war-duration plants had expanded their trade across State lines. They continued to supply meat to their new customers under Federal inspection. The Fulmer Act expired June 30, 1947. 37/

Meat Grading

Before the war, grading of meat by Government graders was conducted on a voluntary basis. Meat grading, based on USDA grade standards, was inaugurated in 1927, although tentative Federal grading standards were set for beef, veal, and mutton about 1917. 38/ Packing plants paid a fee to the Department of Agriculture for the services of a grader. In addition to the official Government grading service, many slaughter concerns had private graders in their employ and graded their meat with distinctive trade-mark and grade stamps, such as "Supreme" and "Premium," often with the company's name occurring in the grade designation.

Grade labeling of meat and meat products became necessary when ceiling prices were placed on meat on the basis of grades. At the beginning of price control, packers were allowed to grade all beef and veal but the Choice grade. But because of lack of uniformity in grading and lack of coordination between private grading and official grade standards, it was soon decided to expand compulsory grading to more grades of beef and veal and to lamb and mutton. It would have been difficult to maintain ceiling prices on meats without Government grading. If average ceiling prices had been set for each class of meat, it would have resulted in serious price inequities between

---

36/ Amendment 7, FDO 75.2, issued February 22, 1944, effective April1, 1944 (18,9;2200).

37/ 6 months after the termination of the war, which was announced December 31, 1946.

38/ USDA Press release, February 12, 1947. In 1923 USDA meat graders began grading meat for the United States Steamship Lines. In 1927 the program was extended for all applicants.

Table 20.— Meat plants operating under Federal inspection, United States, June 30, 1940-47

Year	Total 1/	Total non-slaughtering 1/	Slaughtering					
			Total	Cattle	Calves	Hogs	Sheep & lambs 2/	Horses
	No.	No.	No.	No.	No.	No.	No.	No.
1940	649	341	308	255	252	226	203	3
1941	649	341	308	255	253	226	215	4
1942	659	356	303	256	249	218	211	4
1943	842	414	428	384	364	308	301	6
1944	908	427	481	428	365	322	298	6
1945	1,050	503	547	447	330	301	223	6
1946	1,028	474	554	450	316	304	239	9
1947	962	482	480	426	324	278	213	20

1/ Includes branch houses, serum plants, sausage factories.

2/ Includes goats.

Livestock Market News Statistics and Related Data, 1947 (19).

different grades of meat animals of each species. It would have been difficult to prevent slaughterers from up-grading carcasses, as the grade determined the ceiling price and the amount of Government subsidies.

On September 18, 1942, the OPA required all Choice beef and veal to be graded by U. S. official graders (19,1946:86). On December 16, 1942, the regulations required that all beef, except Canner and Cutter, and all veal, except Cull, be graded. Canner and Cutter beef and Cull veal were required to be graded after April 3, 1943. On April 10, 1943, all lamb and mutton were required to be graded by Federal graders.

Hog products were not required to be graded by USDA graders. A large proportion of the butcher hogs and sows marketed are Good and Choice and only a small proportion are Medium and Cull. There usually is a relatively narrow spread between prices of different classes and grades of hogs and between prices of different grades of wholesale pork products. This spread narrowed further during the war when prices of hogs usually were at the ceilings and virtually all pork at retail was sold at ceilings. The retail pork prices failed to reflect variations in the quality of cuts offered to consumers. Although tentative standards for hog carcasses and fresh pork cuts had been formulated in 1933, they had never been widely used by the meat-packing industry. OPA set ceiling prices for wholesale and retail pork cuts with price differentials for different weights of product. It set ceilings for sausage and other prepared-meat products, on the basis of their ingredients, cost of manufacture, historical price relationships, and other considerations.

Of the total nonfarm beef produced in the United States, 8 percent was graded in 1940, 10 percent in 1941, and 17 percent in 1942. Beef graded in 1943 amounted to 81 percent of the total commercial production; and in 1944, to 95 percent. The veal and calf meat graded increased from 10 percent of the total nonfarm output in 1942 to 89 percent in 1944. Gradings of lamb and mutton increased from 8 percent in 1942 to practically all of the 1944 commercial production. The quantity of pork graded did not increase during those years, but inspections of pork purchased by the CCC were large. It is estimated that more than 90 percent of all the beef, veal, lamb, and mutton produced was graded by official graders in the year ending June 30, 1945.

It was not practicable officially to grade all the meat produced. In out-of-the-way places and in small plants some operators were permitted to grade their output, using the Federal grade standards. However, instead of marking such meat with the official grade designations, "U.S. Good," "U.S. Commercial," etc., they were required to mark it, "AA," "A," "B," etc. Subsidy payments to these slaughterers were made at the rates for the Commercial grade. Therefore, if they up-graded carcasses from Commercial to Good, they would realize $2 per 100 pounds more than if the carcass were graded Commercial, with ceilings in effect June 1945. It was, of course, impracticable and largely unnecessary to grade farm-produced meats.

The return to packers whose slaughter was graded by the Government was influenced even more by the way the animals were graded. In June 1945, a borderline beef carcass, if graded Good by an official grader, would have had a ceiling price of $19.50 per 100 pounds at Chicago. In addition, a slaughterer could collect a subsidy payment amounting to as much as $5.10 per 100 pounds. If the carcass was graded only Commercial, the wholesale ceiling price would have been $17.50 per 100 pounds and the slaughterer could have collected a maximum subsidy of $3.40 per 100 pounds. The nature of the grading operation requires a great deal of judgment on the part of the individual grader. Even though supervisors were constantly working with graders to keep grades uniform throughout the country, and although packers could appeal for a regrading on any quantity of meat that they felt was improperly graded, there was some objection to the way the meat was graded.

Table 21.-- Meat and meat food products graded, or certified as complying with specifications, by the United States Department of Agriculture, 1939-48 1/

Year	Beef	Veal and calf	Lamb, yearling, and mutton	Total 2/	All other meats, meat food products and lard	Grand total 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1939	512	6	24	542	100	642
1940	578	7	25	610	47	657
1941	790	10	32	832	714	1,545
1942	1,485	106	78	1,669	2,093	3,762
1943	6,711	785	991	8,486	2,795	11,281
1944	8,356	1,451	1,066	10,873	2,578	13,451
1945	9,177	1,319	1,024	11,520	1,118	12,638
1946	6,850	912	834	8,595	745	9,340
1947	2,931	237	209	3,377	186	3,563
1948	2,022	134	147	2,302	146	2,449

1/ Based on estimated weight of carcasses.

2/ Totals based on unrounded numbers

Livestock Market News Statistics and Related Data (19,1949:82).

Compulsory grading of all commercially produced meat taxed the grading service of the Department. The service increased from 56 men in 1940 to 716 on June 30, 1945. New graders were recruited from the industry. Under compulsory grading, as with the voluntary service, packers were assessed a fee for the grading service.

Compulsory grading of meat was suspended June 30, 1946, as the Emergency Price Control and Stabilization Acts expired. Compulsory grading was resumed again September 1, 1946, and continued through October 14, 1946.

It is likely that the volume of meat graded relative to prewar will continue to increase substantially. During the war, many consumers learned to recognize the different grades and they continue to buy meat on the basis of grade. There is less incentive for slaughterers to grade meat of the lower grades, and

Table 22.-- Percentage distribution of graded beef, veal, lamb, yearling and mutton, by grades, 1944 and 1945 1/

Grade	1944	1945	Grade	1944	1945
	Percent	Percent		Percent	Percent
	BEEF			VEAL	
Choice 2/	10.4	13.9	Choice 2/	13.4	14.9
Good	28.0	30.8	Good	34.0	33.8
Commercial	25.3	26.7	Commercial	31.0	30.0
Utility	18.7	16.6	Utility and Cull	21.6	21.3
Canner and Cutter	17.6	12.0			
	LAMB			YEARLING AND MUTTON	
Choice 2/	33.5	47.9	Choice 2/	8.0	11.6
Good	40.5	35.2	Good	32.0	34.4
Commercial	19.4	13.1	Commercial	27.1	26.2
Utility and Cull	6.6	3.8	Utility and Cull	32.9	27.8

1/ Based on estimated weight of carcasses.

2/ All carcasses that met the specifications of the Prime grade were identified with and graded as Choice.

Livestock Market News Statistics and Related Data (19,1946:86).

grading of such meat has dropped materially since the war. In early 1947, approximately 60 percent of the commercial production of beef, veal, lamb, and mutton was graded on a voluntary basis. During 1948, as a whole, 23 percent of all beef produced commercially was graded by an official grader.

APPENDIX

Chronology of Livestock and Meat Programs

1939

September 1. European War began with German invasion of Poland.

September. British government suspended quota restrictions on imports of bacon and hams from non-Empire countries that had been in effect since November 1932. Fixed prices were set for cured pork and lard imported into Great Britain.

December 15. Pork products in the United States included among foods obtainable for surplus-food stamps under blue-stamp plan. Lard was designated as a surplus commodity, October 1, 1939. FSCC was authorized to buy surplus lard and certain cuts of salt pork under direct-purchase and relief-distribution programs for donation to State welfare agencies, to low-income families, and for use in free school lunches.

1940

February 26. Canada restricted imports of pork from the United States to 1.6 million pounds per month. The limitation was to continue until October 31, 1940.

March-April. British government began livestock and meat programs to (1) restrict price increases (2) reduce civilian meat consumption (3) reduce imports and (4) expand domestic production.

June 17. France capitulated to Germany.

December 26. Secretary of Agriculture called for increased production of hogs and increased marketing of beef cattle under the national defense program.

1941

March 11. The Lend-Lease Act was signed by President Roosevelt.

April 3. Ever-normal Granary Program extended into a food program designed to assure ample supplies for the United States, the United Kingdom, and other nationals resisting aggression; (1) Support price for hogs set at $9.00 per 100 pounds (average all hogs at Chicago), (2) Lend-lease program for meat shipments announced; (3) Announced the continuation of existing corn-loan program in 1941 and 1942; (4) Announced continuation of the policy of making loan corn available to producers at the loan rate plus certain carrying charges;

(5) Announced no corn-marketing quotas for 1941 crop; (6) Began buying hog products from heavy hogs to encourage feeding of hogs to heavier weights.

June 16. Hides were the first farm commodity put under price ceilings, with a top of 15 cents a pound at Chicago for best cattle hides.

August. Pork and lard removed from list of surplus foods under the blue-stamp plan.

September 8. First specific production goals for livestock announced: Slaughter goals for 1942, hogs, 79.3 million; cattle and calves, 28.0 million; and sheep and lambs, 22.9 million.

December 7. Japanese attacked Pearl Harbor.

December 8. United States declared war on Japan.

December 11. United States declared war on Italy and Germany.

December 13. Ceiling prices established for lard and other fats and oils by the Office of Price Administration.

1942

January 16. Revised goals for 1942 announced. Support prices for hogs at a minimum level of 85 percent of parity through June 30, 1943, also were announced.

January 30. Emergency Price Control Act became law.

March 23. Maximum prices for a 60-day period established by OPA for major pork products at the highest wholesale prices prevailing during the 5 days March 3 to March 7.

April. Agricultural Marketing Administration requested packers operating under Federal inspection to offer for sale to Agriculture Department at least two-fifths of their production of pork cuts and canned pork and two-thirds of lard production for lend-lease for the next 3 to 6 months.

May 11. General Maximum Price Regulation for major cost-of-living items established highest March prices as the ceiling prices at wholesale for beef, veal, pork and lard.

July 13. Establishment of ceiling prices for beef by grades and removal of some high prices from the March base period.

August 1. Ceiling prices established on lamb carcasses and cuts for a period of 60 days beginning August 1 at the level of wholesale and retail sales during the last week of July.

October 1. Meat deliveries to civilians were limited during periods from October 1, 1942 to December 31, 1942, and January 1, 1943 to March 31, 1943, by those who produced more than 500,000 pounds of meat in a quarter to the following percentages of such deliveries in the same period of 1941: beef, 80 percent; pork, 75 percent; lamb and mutton, 95 percent; and veal, 100 percent. Limited other slaughterers to their 1941 deliveries. Beef delivery quota of 80 percent reduced to 70 percent effective November 7, 1942.

October 5. A temporary 60-day freeze order became effective establishing maximum wholesale and retail prices for a number of commodities, including mutton.

November 2. Revised ceiling prices on pork became effective with regional differentials based upon transportation costs between surplus and deficit pork-producing regions.

November 12-15. American forces landed on Guadalcanal.

December 16. Revised price ceilings for individual grades of beef became effective with specified regional differentials.

December 18. OPA limited deliveries of meat from packers to civilians during the first quarter of 1943 to the following percentages of the first quarter of 1941: Beef, pork, veal, 70 percent each; lamb and mutton 75 percent.

1943

February 11. Lard set-aside, FDO 20, became effective.

March 5. FDO 28, providing inventory control order for packers, became effective.

March 13. The following percentages of March 14 federally inspected slaughterers' inventories and March 15 to April 30 production required to be set aside for Government purchase: Beef-cutter and canner grades, 80 percent; all other beef, 40 percent; veal, 30 percent; lamb and mutton, 35 percent; pork 45 percent.

March 29. Meat rationing began using point system.

March 31. Department of Agriculture required all livestock dealers to obtain permits to buy and sell livestock and to keep complete records of their operations. Required all slaughterers who delivered meat to others to obtain slaughter permits and to stamp their permit numbers upon each wholesale cut of meat delivered.

April 1. Specific retail ceiling prices for pork by regions were announced, replacing individual retailer's ceilings.

April 3. Established specific dollars and cents ceilings for wholesale cuts of veal by grades and zones.

April 15. Specific cents per pound ceiling prices established for all grades of meat by class of retailer and by zones.

April 16. Instituted inventory controls over federally inspected slaughterers, limiting the quantity of certain meats they could hold in storage.

May 15. War Meat Board established to facilitate handling of the Nation's meat supply.

May 17. Revised downward maximum retail prices on many cuts of beef, veal, lamb, and mutton for stores of largest sales volume.

June 4. Cold-storage holdings of beef and pork for civilian delivery were limited by War Food Administration to a third of their average weekly civilian quotas in the case of beef and four times their average weekly civilian quotas of pork (FDO-48, Amendment 1).

June 6. D-Day. Allies landed in Normandy.

June 11. War Food Administration instructed federally inspected packers, effective June 14, to make available for purchase by the armed forces 45 percent of their steer and heifer production which met Army specifications (FDO-28.2).

June 14, 1942 to July 5, 1943. Reduction in ceiling prices for wholesale cuts and dressed carcasses of beef and veal, pork, and lamb and mutton at the packer and wholesale level in line with the roll-back of retail meat prices. Subsidy payments to slaughterers began June 7, 1943.

June. State and area meat-marketing supervisors and county War Meat Committees established by WFA as a direct means of implementing the war meat program at county levels.

July 1. Raised hog-slaughter quotas for local slaughter from 80 to 85 percent of their base quotas and continued cattle quotas for butchers at 100 percent of the number slaughtered in the corresponding month of 1941.

July 14. Established quotas for local slaughterers for veal, lamb, and mutton at 80 percent of their quota bases.

August 1. Hog-slaughter quotas for local slaughterers increased to 90 percent of their quota base. Lard set-aside (FDO-20) suspended.

August 8-September 4. Lard purchases by the War Food Administration suspended.

August 15. Beef set-aside, WFO 75.2 effective. WFO-28 terminated.

September 1. WFA announced that all quota limitations on livestock slaughter would be suspended October 31.

September 4. All inventory restrictions on slaughterers and meat handlers were suspended by WFA.

October 26. The Director of Economic Stabilization announced specific high and low prices for each grade of cattle at the Chicago market and a number of changes in the plan under which payments to slaughterers were made by the Defense Supplies Corporation.

November 17. WFA suspended requirement that farmers obtain permits to make off-farm deliveries of pork.

December 22. WFA issued an order, effective December 24, excluding certain types of low-valued offal products, lard, and other fats from freezer storage space, and limiting to 10 days the period in which certain offal products could be held in freezer storage.

December 23. Support price program extended to cover 200 to 300 pound butcher hogs.

1944

February 22. Slaughterers who killed 52 head or more of Army-style cattle a week required to qualify for Federal inspection on all beef carcasses produced.

April 15. Support prices for hogs to apply to weight range 200 - 270 pounds (Good and Choice barrows and gilts).

May 15. WFA widened hog-weight range under price-support program to include weights from 180-270 pounds. OPA reduced ceiling prices on hogs weighing over 240 pounds from $14.75 to $14.00, Chicago basis.

May 25. All restrictions on farm slaughter and meat delivery of livestock removed by WFA (ration points were still to be collected for farm sale of meat under OPA's regulations).

August 27. Pork set-aside (WFO 75.3) effective.

September 29. Canada lifted embargo on shipment of slaughter sheep and lambs to the United States.

October 29. Changed pork set-asides to a percentage of live-weight slaughter, rather than a percentage of pork production.

October 30. Ceilings on all barrows and gilts 270 pounds and up increased from $14.00 to $14.75 Chicago basis; ceilings on all hogs, except barrows and gilts remained at $14.00.

November 16. Support price for hogs broadened to include 200 to 270 pounds weight range instead of 200 to 240 pounds. Announced support price of $12.50 to continue until June 30, 1945.

November 26. WFA set specific support prices for hogs for all markets other than Chicago.

December 13. Ceiling prices established for all butcher hogs weighing over 270 pounds at markets other than Chicago.

December 16. The German Army launched major counter-offensive through the Ardennes.

1945

January 9. Announced extension to March 31, 1946, of the $12.50 support price, Chicago basis, for Good and Choice butcher hogs, weighing 200-270 pounds.

January 21. Lard set-aside reinstated at 7½ percent of live-weight production.

January 29. Ceiling prices set on live cattle and calves, $18.00 per cwt., Chicago basis. Cattle stabilization plan revised by changing stabilization price ranges and subsidies for cattle.

February 17. United States Marines invaded Iwo Jima.

February-March. OPA limited proportion of Good and Choice cattle that could be slaughtered in a monthly period.

February 20. RFC began limiting subsidy payments to nonfederally inspected cattle slaughterers to 100 percent of their kill in the corresponding month a year earlier.

February 26. RFC began limiting subsidy payments to nonfederally inspected hog slaughterers to 50 percent of their slaughter in the corresponding monthly period a year earlier.

March 27. OPA granted higher ceilings for pork items sold to war-procurement agencies.

April 1. United States Army landed on Okinawa.

April 1. RFC increased subsidies to hog slaughterers from $1.30 to $1.70 per 100 pounds live weight.

April 11. National pig-crop goal for the 1945 fall pig crop announced at 37 million head. Support price for hogs increased from $12.50 to $13.00 per 100 pounds, Chicago basis, for Good and Choice butcher hogs of all weights up to 270 pounds, until September 1, 1946.

April 23. OPA increased prices on beef sold to the Government.

April 25. Support-price weight range for hogs broadened to include all weights up to 300 pounds.

April 29. OPA set quotas on payment of slaughter subsidies to non-inspected slaughterers of sheep and lambs to 100 percent of the live weight on which a payment was made in the corresponding month a year earlier. Effective date for the veal set-aside (WFO 75.4) and the lard set-aside (WFO 75.5).

April. OPA set quotas on slaughter of all noninspected slaughterers, including farmers.

May 1. RFC increased subsidy rates on cattle. Introduced withdrawal provisions on cattle subsidies as cattle costs fell toward the bottom of the stabilization cost range.

May 8. VE-Day (end of fighting in Europe).

May 19. CCC began the payment of direct subsidies to farmers for cattle sold for slaughter weighing 800 pounds or more, which had been owned by the sellers for 30 days or more, and which sold for $14.25 or more, Chicago basis.

June 4. RFC increased subsidy payment rates to cattle slaughterers; decreased payments to nonprocessing slaughterers from 80 to 40 cents per 100 pounds.

July 6. Canada embargoed sheep and lamb shipments to the United States for slaughter.

August 5. CCC began payment of subsidies on sheep and lambs sold for slaughter. RFC discontinued regular slaughter payments on sheep and lambs.

August 15. VJ-Day (end of fighting in Japan).

August 19. Beef and veal set-asides suspended.

August 21. The President announced the end of lend-lease shipments of food and other materials to allies of the United States.

September 8. OPA suspended quota restrictions on all noninspected slaughter.

October 14. Beef and veal set-asides reinstated. Set-asides issued for mutton (WFO 75.6).

October 23. The Department announced a 1946 spring pig crop goal of 52 million head and a $13.00 per 100-pound support price for hogs of all weights from September 1 to September 30, 1946. Also announced a support price for the period October 1, 1946, through September 30, 1947, varying seasonally but averaging about $12.00 for the year.

November 24. Rationing of meats, canned fish, and fats and oils ended.

November 30. Preliminary livestock goals for 1946 announced.

1946

April 1. RFC increased amount of subsidy withheld from slaughterers whose monthly cattle costs exceeded maximum permissible costs, to aid in control of live cattle prices. OPA established quotas on custom slaughterers of cattle. OPA reissued quotas for nonfederally inspected commercial slaughterers of cattle, calves, and hogs to prevent undue diversion of livestock from inspected slaughterers. The Department of Agriculture imposed quotas on slaughter of these species by inspected slaughterers for the first time.

May 5. Set-asides were increased for federally inspected and certified slaughterers, from 13 to 15 percent of live-weight slaughter for pork and from 5 to 6 percent for lard except in seven Southern States.

May 10. Goal for the 1946 fall pig crop announced of 31.5 million head, 10 percent below the fall crop of 1945 because of the tight feed situation.

May 13. OPA granted sharp increases in prices of feed grains and protein feeds. The Department of Agriculture announced a policy of discouraging heavy feeding of grain to cattle, feeding hogs to heavy weights, and production of chickens and eggs to conserve food grains for shipment to famine areas in Europe. High dairy production was the announced policy.

June 5. United States quarantined imports of cattle from Mexico to prevent possible introduction of hoof-and-mouth disease in this country.

June 6. Canned meat set-aside effective, WFO 75.9.

June 30. Termination of CCC production payments on sheep and lambs sold for slaughter. Termination of 50 cents per 100-pound payment on sales of higher grade cattle for slaughter.

July 1. Price control on livestock and livestock products lapsed. Slaughter-control program for federally inspected slaughterers terminated; for nonfederally inspected slaughterers quotas were made unlimited. Compulsory meat grading ended. Subsidy payments to slaughterers stopped. Set-asides reduced to zero.

July 25. Price Control Extension Act of 1946 signed by the President.

August 13. Price Decontrol Board held public hearings to determine whether price control should return to livestock and meats.

August 20. Price Decontrol Board ruled that meat and meat products would be returned to price controls as (1) meat prices had risen unreasonably (2) the supply of meat had been and would continue in short supply in relation to demand, and (3) price control was in the public interest.

The Price Decontrol Board ruled that all grain products, except linseed, would be free from price controls. Most byproduct feeds and commercial mixed feeds were to be recontrolled.

August 28. Secretary of Agriculture recommended new ceilings for livestock higher than those in June 1946, to encourage production, to meet parity provisions of the law, and to offset loss of subsidies to sellers of cattle, sheep, and lambs. These new price ceilings became effective September 1.

September 1. Compulsory grading of beef, veal, lamb, and mutton by USDA graders again became effective. Subsidies to slaughterers resumed. OPA enlarged its staff to police the meat control and price regulations.

September 5. Ceiling prices became effective for nonslaughtering wholesalers.

September 30. USDA terminated procurement of meats for export to cash-paying foreign governments. The Department continued to buy some meat for UNRRA.

September 30. USDA Meat Board discontinued.

October 5. USDA announced spring pig goal for 1947 of 58 million head, 11 percent above 1946 crop. It announced a support-price schedule for the year beginning October 1, 1946.

October 14. President Truman announced that price control on meat would end as of the end of that day.

October 15. Ceilings were removed on food and feed products produced from livestock. Hides and inedible tallows and greases were the principal livestock products remaining under price control. OPA's slaughter-control programs, RFC's slaughter-payment program, and Government orders requiring meat to be graded were revoked.

October 18. Beef, veal, pork, lamb, mutton, and canned meat set-asides terminated.

October 25. Department of Agriculture revoked WFO-61, delegation of authority to OPA with respect to rationing and meat; WFO 84, policies and regulations governing requisitioning and disposal of food; WFO 111, limitations on refrigerated storage facilities for food; and WFO 123, delegation of authority to OPA regarding slaughter controls.

October 29. OPA freed inedible tallows and greases from price control (Amendment 72 to Supplementary Order 132).

October 31. Price control ended on hides and skins.

November 30. War Food Order 139 terminated.

December 3. Department of Agriculture approved reinstatement of "Prime Grade" to official standards for beef, veal, and calf carcasses.

December 31. President Truman proclaimed the end of hostilities in World War II. A state of war continued to exist and the states of emergency declared by President Roosevelt on September 8, 1939, and May 27, 1941, had not been terminated.

1947

March 31. First Decontrol Act of 1947 (Public Law 29, 80th Congress) terminated with a few exceptions, all war powers except those extended by specific legislation. The Act authorized allocation for export of meat and certain other commodities which were certified by the Secretaries of Commerce and State as necessary to meet foreign commitments.

Summary of Principal Controls

Brief Review of Office of Economic Stabilization Orders and Directives Relating to Livestock Subsidy Payments

Order and amendments	Principal provisions
Directive (No number) Issued October 25, 1943 Effective October 26, 1943	Ordered: (1) DSC to amend its Regulation No. 3 to provide for the cattle stabilization program and the extra 80 cents non-processing beef-slaughter subsidy; (2) WFA to institute a system of allocating cattle to slaughterers and feeders; (3) WFA and OPA to prepare and certify to DSC maximum and minimum prices for cattle for all markets comparable to those specified in the Directive for Chicago.
Directive 28 Issued January 10, 1945 Effective January 29, 1945	By orders to OPA, WFA, and DSC, provided for: (1) Ceiling prices on live cattle equal to the weighted average maximum price of the grades slaughtered with an overriding ceiling $1.00 above the maximum for Choice at the several markets (MPR 574); (2) Upward revisions in the maximum prices for cattle of $1.00 on Choice and 50 cents on Good with a corresponding increase in the subsidy on these grades; minimum prices on all grades to be $1.50 under the maximums (DSC Reg. 3 Revised); (3) A limitation on the proportion of AA-and-A-grade cattle packers could kill. (WFA in WFO 123 delegated authority for this regulation to OPA which in turn incorporated the provision in MPR 574, Section 14).
Directive 31 Issued Jan. 30, 1945 Effective Jan. 30, 1945	Authorized WFA to limit, by certification to DSC, the amount of subsidy noninspected slaughterers could collect (WFO 126). Directed DSC to amend its Regulation No. 3 accordingly. (Am.1,DSC Reg. 3 Rev.).

Brief Review of Office of Economic Stabilization Orders and Directives Relating to Livestock Subsidy Payments (Continued)

Order and amendments	Principal provisions
Am. 1, Directive 31 Issued May 15, 1945 Effective May 17, 1945	Substituted OPA for WFA, thereby providing for the control of noninspected slaughterers by OPA in its Control Order No. 1 and for the transfer of WFO 126 to OPA.
Am. 2, Directive 31 Issued Aug. 18, 1945 Effective July 1, 1945	Provided for the exclusion of slaughterers granted certification under WFO 139 from slaughter restrictions provided in Control Order 1.
Revocation Directive 31 Issued September 28, 1945 Effective September 28, 1945	Revoked Directive 31, provided, however, that the provisions of that directive, as amended, should remain in force and effective with respect to requirement that OPA certify slaughterers eligible for subsidy payments for quota periods beginning on or about August 25, 1945.
Revocation Directive 31 Issued December 11, 1945 Effective December 29, 1945	Revoked Directive 31 in its entirety.
Directive 38 Issued March 21, 1945 Effective March 21, 1945	By directive to OPA and DSC provided for: (1) Additional packer subsidy payments on cattle when the drove cost exceeds the minimum + 50 cents; (2) Reduction in extra nonprocessing beef-slaughterer subsidy from 80 cents to 30 cents per cwt.; (3) Denial of subsidy if packer's drove cost exceeds his maximum cost (Am.2, DSC Reg. No. 3 Rev.).
Amendment 1, Directive 38 Issued March 31, 1945 Effective March 31, 1945	As a result of court action in the Heinz case, the OES amended its Directive No. 38, deleting the provision that effective April 1 the extra nonprocessing beef-slaughterer subsidy should be reduced from 80 cents to 30 cents per cwt.

(Continued)

Brief Review of Office of Economic Stabilization Orders and Directives Relating to Livestock Subsidy Payments (Continued)

Order and amendments	Principal provisions
"10-Point Program" Announced April 23, 1945	This comprehensive program was announced by the OES as having been cooperatively developed by OPA, WFA, and the War Department. It covered the following points: (1) A plan to encourage increased feeding of cattle (subsequent Directive No. 55); (2) An increase in the maximum price for Army-style beef; (3) Completion of the pork price study conducted by OPA preliminary to making revisions in the price ceilings or subsidy payments on pork; (4) Special price adjustments for packers who operated profitably in peacetime; (5) Control over the volume of farm slaughter; (6) Control over noninspected slaughter; (7) Encourage more plants to take Federal inspection; Army to increase its procurement from new plants by 10 percent, (8) Threat of a "fair-distribution order"; (9) Preparation of a program to protect livestock ceilings, for use if necessary; (10) Rigorous enforcement program against the black market.
Directive 41 Issued April 23, 1945 Effective April 24, 1945	In line with this 10-point program: (1) Revoked the change in the Choice cattle maximums and subsidy rates which were to become effective July 1 (Sections 2B and 5B of Directive No. 28); (2) Revoked the additional subsidy payment to packers for cattle costing more than 50 cents over the minimums (Directive No. 38); (3) Directed DSC to raise the subsidy rates on cattle by 75 cents on the three upper grades and 50 cents on the lower grades, at the same time providing that a slaughterer would forfeit subsidy at the rate of 2 cents a pound for each 3 cents his drove cost was below his maximum (Am.3, DSC Reg. No. 3 Revised);

(Continued)

Brief Review of Office of Economic Stabilization Orders and Directives Relating to Livestock Subsidy Payments (Continued)

Order and amendments	Principal provisions
	(4) Provided separate schedule of payments for nonprocessing beef slaughterers, which, although continuing the 80 cents extra payment, in effect reduced the differential over regular packers to 30 cents in all cases except on Grades C and D cattle at the minimum of range (Am. 3, DSC Regulation No. 3 Revised).
OWMR Letter to War Agencies Issued May 18, 1945	In connection with the over-all program for improvement in the meat situation, this letter requested, in addition to the other actions already under consideration: (1) That the WFA amend its meat set-aside orders so that packers slaughtering more than their normal proportion of the total slaughter set aside a greater than average percentage of their production of beef and pork (WFO 75.2, Am. 24, and WFO 75.3 Am. 15); (2) That the OPA and WFA by June 15 develop a program for following sale and movement of all livestock from markets to ultimate slaughterers, as a method of encouraging compliance with price ceilings.
Directive 48 Issued May 21, 1945 Effective May 21, 1945	Directed: (1) DSC to raise the subsidy rate on hogs from \$1.30 to \$1.70 per cwt. (Am. 4 DSC Reg. No. 3 Revised); (2) OPA to continue its study of pork realizations with the possibility of making a sliding-scale adjustment in the hog subsidy as prices decline from the ceilings; (3) DSC to raise subsidy rates on cattle 25 cents per cwt., packers to forfeit subsidy at the rate of 4 cents per pound for each 5 cents the drove cost is below the maximum. Also the extra subsidy to nonprocessing beef slaughterers reduced from 80 cents to 40 cents per cwt. (Am. 4 DSC Reg. No. 3 Rev.).
Directive 55 Issued June 1, 1945 Effective May 19, 1945	By directive to WFA provided for the 50 cents per cwt. subsidy on cattle weighing over 800 lbs. and selling for \$14.25 (Chicago basis) payable to the feeder. (Limited the total amount of such subsidy to \$40,000,000, effective between the dates May 19, 1945 and July 1, 1946).

(Continued)

Brief Review of Office of Economic Stabilization Orders and Directives Relating to Livestock Subsidy Payments (Continued)

Order and amendments	Principal provisions
Am. 1, Directive 55 Issued July 13, 1945 Effective July 13, 1945	Made slight technical changes in wording, including substitution of "Secretary of Agriculture" for "War Food Administrator."
Directive 56 Issued June 9, 1945 Effective July 1, 1945	Directed DSC to amend Regulation No. 3 with respect to easing the requirements for nonprocessing beef slaughterers to qualify for the extra 40 cent subsidy.
Am. 1, Directive 56 Issued July 5, 1945 Effective July 5, 1945	Further defined the qualifications of a nonprocessing beef slaughterer in order to be eligible for the extra 40 cent subsidy.
Am. 2, Directive 56 Issued July 11, 1945 Effective July 11, 1945	Modified still further the qualifications necessary for obtaining the extra nonprocessing beef slaughterer subsidy.
Directive 62 Issued July 2, 1945 Effective July 2, 1945	The Act authorizing subsidy payments for 1945-46 included a provision granting authority to OES to give relief to packers who in good faith received extra compensation payments, for which they later were found ineligible. This directive delegated this authority to OPA.
Directive 70 Issued July 26, 1945 Effective July 26, 1945	Authorized the Secretary of Agriculture through the CCC to make subsidy payments to the "sellers of lambs" during the period August 5, 1945 - June 30, 1946. At the same time directed the DSC to discontinue subsidy payments on lambs to packers.
Am. 2, Directive 55 Issued August 23, 1945 Effective May 19, 1945	Clarified eligibility of certain cattle for subsidy under the "Cattle Feeder Subsidy Program."
Am. 1, Directive 70 Issued October 19, 1945 Effective October 19, 1945	Provided for payment of subsidies to packers on lambs purchased prior to August 5, if the lambs were slaughtered by midnight August 8.

(Continued)

Brief Review of Office of Economic Stabilization Orders and Directives Relating to Livestock Subsidy Payments (Continued)

Order and amendments	Principal provisions
Directive 90 Issued December 4, 1945 Effective December 4, 1945	Prescribed a program of subsidy payments to be made to slaughterers for the purpose of bringing revenues of the meat-packing industry during the fiscal year of 1945 to a level equal to those in a fair prewar base period.
OWMR Announcement Issued November 9, 1945	Announced schedule of termination of subsidies as follows: Roll-back subsidy of $1.30 per live cwt. on hogs not later than March 31, 1946; remainder of hog subsidy, subsidy on slaughter cattle, and direct payments to farmers on cattle, sheep and lambs not later than June 30, 1946.
Am. 1, Directive 41 Issued August 9, 1945 Effective September 1, 1945	Authorized an increase of 40 cents per 100 pounds in subsidy rates for AA and A grades of cattle (feeder and 4H club cattle) whose cost is not required to be reported (Am. 10 RFC Reg. 3 Rev.) to become effective September 1, 1945. Also authorized OPA to determine whether any changes in subsidy within certain limits are necessary with respect to Good and Choice cattle whose cost is not required to be reported.
Am. 2, Directive 41 Issued January 28, 1946 Effective January 28, 1946	Changed the basis upon which determinations are made that a subsidy applicant has violated any OPA meat or livestock regulation. Substituted RFC for DSC in that order.
Am. 3, Directive 41 Issued March 21, 1946 Effective April 1, 1946	Authorized RFC to withhold portions of subsidies claimed by certain slaughterers who filed on Form DS-T-55.
Am. 1, Directive 48 Issued March 21, 1946 Effective April 1, 1946	Changed basis of deductions from claims filed by slaughterers reporting cost of cattle.

(Continued)

Brief Review of Office of Economic Stabilization Orders and Directives Relating to Livestock Subsidy Payments (Continued)

Order and amendments	Principal provisions
Directive 104 Issued April 8, 1946 Effective April 8, 1946	Authorized the payment of additional subsidies to meat packers to compensate them for increased labor costs from January 26, 1946, through March 10, 1946, when increased wages required or authorized by the National Wage Stabilization Board were not covered by subsequent price increases.
Am. 1, Directive 104 Issued August 28, 1946 Effective August 28, 1946	Provided that applications for the additional subsidy should be filed not later than September 30, 1946, instead of May 25, 1946, as originally provided.
Directive 130 Issued August 23, 1946 Effective August 23, 1946	Provided that Directive of October 26, 1943, on livestock subsidy payments, also Directives No. 28, 41, 48, and 56 be reissued and placed in full force and effect following action of Price Decontrol Board August 20, 1946, in ordering reinstatement of controls on livestock and meats.
Am. 4, Directive 41 Issued April 16, 1946 Effective April 16, 1946	Provided for withholding of subsidies upon certification by USDA or OPA that a slaughterer had slaughtered livestock in excess of his quota.
Revocation Directive 55 Issued May 9, 1946	Revoked Directive 55 as amended as of July 1, 1946.
Am. 5, Directive 41 Issued June 21, 1946 Effective June 21, 1946	Tightened regulations in regard to the withholding of subsidies in cases where slaughterers failed to comply with set-aside orders.
Am. 6, Directive 41 Issued June 20, 1946 Effective June 20, 1946	Provided for withholding of subsidies in cases where a slaughterer failed to furnish information requested by OPA or refused to permit inspection and examination of his slaughtering operations.

(Continued)

Brief Review of Office of Economic Stabilization Orders and Directives Relating to Livestock Subsidy Payments (Continued)

Order and amendments	Principal provisions
Am. 7, Directive 41 Issued October 17, 1946 Effective October 17, 1946	Provided authority for OPA to release subsidy payments withheld since March 31, 1946, because of noncompliance provisions of MPR 574 relating to bulls.
Am. 8, Directive 41 Issued November 18, 1946 Effective November 18, 1946	Provided authorization for Price Administrator to act on petitions for release of subsidy payments which had been withheld under automatic penalty provisions of Directive 41. Directed that no subsidy payments be withheld because of overpayment for cattle slaughtered during the partial October accounting period scheduled to end after October 14, 1946, but which was terminated prior to the normal closing date by the elimination of meat price controls as of 12:01 a.m. October 15, 1946.

Index and Brief Review of RFC Regulation No. 3 and its Amendments (Subsidy Payments to Slaughterers)

Order and amendments	Principal provisions
DSC Regulation 3 Issued June 16, 1943 Effective June 7, 1943	Provided for the roll-back in retail and wholesale prices of meat to the September 1942, level, by payment of subsidies to packers on the live weight of animals slaughtered.
Am. 1, DSC Reg. 3 Issued September 18, 1943 Effective September 1, 1943	Made minor changes in definitions in line with FDO No. 75; also reduced the monthly slaughter weight requirements for eligibility to claim subsidy from 4,000 to 2,500 pounds.
Am. 2, DSC Reg. 3 Issued October 30, 1943 Effective November 1, 1943	Provided for extra subsidy payment of 80 cents per cwt. to nonprocessing beef slaughterers.

(Continued)

Index and Brief Review of RFC Regulation No. 3 and Its Amendments (Continued)
(Subsidy Payments to Slaughterers)

Order and amendments	Principal provisions
Am. 3, DSC Reg. 3 Issued December 18, 1943 Effective December 25, 1943	Provided for the cattle price stabilization program, with subsidy payments on cattle broken down by grades. Penalized packers with the loss of an equivalent amount of subsidy for payment of overmaximum or undermaximum cost for cattle (See section Cattle Price Ceilings).
DSC Reg. 3, Revised Issued January 19, 1945 Effective January 29, 1945	Pursuant to OES Directive No. 28, revised the cattle-slaughter subsidy rates upward $1.00 on Choice and 50 cents on Good grades; also changed the basis for subsidy claims from cattle purchased to cattle slaughtered.
Am. 1, DSC Reg. 3, Rev. Issued Feb. 9, 1945 Effective Feb. 10, 1945	Pursuant to OES Directive 31, and in connection with WFO No.126, provided that noninspected slaughterers could claim subsidy payment on livestock in amounts restricted by WFA to specified percentages of the amount received in 1944.
Am. 2, DSC Reg. 3 Rev. Issued Mar. 21, 1945 Effective April 1, 1945	Pursuant to OES Directive 38: (1) Provided for an additional packer subsidy on cattle equal to half the amount the actual drove cost exceeded the minimum cost + 50 cents, this added payment not to exceed 50 cents; (2) Reduced the extra nonprocessing beef-slaughterer subsidy from 80 cents to 30 cents per cwt.; (3) Provided for the denial of subsidy in whole or in part to a packer if his drove cost exceeded his maximum cost.
Revised Am. 2, DSC Reg. 3 Rev. Issued March 31, 1945 Effective April 1, 1945	Pursuant to Am. 1, OES Directive 38, rescinded the 50 cent reduction called for in the extra subsidy to nonprocessing beef slaughterers which was to have become effective April 1.

(Continued)

Index and Brief Review of RFC Regulation No. 3 and Its Amendments (Continued)
(Subsidy Payments to Slaughterers)

Order and amendments	Principal provisions
Am. 3, DSC Reg. 3, Rev. Issued April 24, 1945 Effective May 1, 1945	Pursuant to OES Directive 41: (1) Raised subsidy rates 75 cents on the upper 3 grades and 50 cents on the lower grades of cattle, with the provision that packers would forfeit subsidy at the rate of 2 cents a pound for each 3 cents the drove cost fell below the maximum cost; (2) Provided a separate schedule of subsidy payments for nonprocessing beef slaughterers, which, although continuing the extra payment at 80 cents, in effect reduced the differential over "regular" packers to 30 cents in all cases except on grades C and D cattle at the bottom of the range.
Am. 4, DSC Reg. 3 Rev. Issued May 22, 1945 Effective June 4, 1945	In line with OES Directive 48: (1) Raised the subsidy on hogs from $1.30 to $1.70 per cwt., retroactive to April1; (2) Raised the subsidy rates on cattle 25 cents per cwt. for each grade, with the penalty for payment below maximums changed to 4 cents for each 5 cents per lb. which the drove cost fell below the top of the stabilization range, this deduction not to exceed specified amounts, however; (3) Changed method of calculating the nonprocessing beef-slaughterer subsidy to use the same schedule of rate payments as for "regular" packers, with 40 cents instead of 80 cents added.
Am. 5, DSC Reg. 3 Rev. Issued June 15, 1945 Effective July 1, 1945	Pursuant to OES Directive No. 56, redefined a nonprocessing beef slaughterer as "an unaffiliated slaughterer who during six consecutive months between January 1, 1941 and October 1, 1943 sold and currently sells...." at least 98% of his beef in unprocessed form.

(Continued)

Index and Brief Review of RFC Regulation No. 3 and Its Amendments (Continued)
(Subsidy Payments to Slaughterers)

Order and Amendments	Principal provisions
Am. 6, DSC Reg. 3 Rev. Issued and effective about July 1, 1945	With the termination of the Defense Supplies Corporation all its activities were assimilated by the Reconstruction Finance Corporation. This amendment simply changes DSC to RFC throughout the order. Also, with the abolishment of the War Food Administration, all references to the War Food Administrator were changed to the Secretary of Agriculture.
Am. 7, RFC Reg. 3 Rev. Issued July 6, 1945 Effective July 16, 1945	Amended the paragraph relating to qualifications necessary to be eligible for the nonprocessing beef-slaughter subsidy in line with Amendment 1 to OES Directive No. 56.
Am. 8, RFC Reg. 3 Rev. Issued July 13, 1945 Effective July 23, 1945	Redefined a nonprocessing slaughterer of beef.
Am. 9, RFC Reg. 3 Rev. Issued July 26, 1945 Effective August 5, 1945	Revised regulations in respect to withdrawn subsidies on sheep and lambs.
Am. 10, RFC Reg. 3 Rev. Issued August 14, 1945 Effective September 1, 1945	Pursuant to Amendment 1 to OES Directive No. 41, subsidy rates were increased from $2.00 to $2.40 for Choice and from $1.95 to $2.35 for Good-grade cattle fed by packers or purchased from 4-H club members or similar recognized farm-youth organizations at approved livestock shows.
Am. 11, RFC Reg. 3 Rev. Issued October 2, 1945 Effective October 2, 1945	Withdrew the provision that subsidy payments to nonfederally inspected slaughterers be based upon a percentage of the live weight of each species for which the applicant filed subsidy claims in the corresponding accounting period a year earlier.

(Continued)

Index and Brief Review of RFC Regulation No. 3 and Its Amendments (Continued)
Subsidy Payments to Slaughterers)

Order and amendments	Principal provisions
Am. 12, RFC Reg. 3 Rev. Issued November 30, 1945 Effective December 10, 1945	Amended definition of 4-H club and similar cattle under the regulation. Amended section of regulation excluding such cattle from calculation of cost of cattle.
Am. 13, RFC Reg. 3 Rev. Issued December 14, 1945 Effective December 25, 1945	Allowed for payment of additional subsidies to livestock slaughterers pursuant to OES Directive No. 90 (Effective December 4, 1945). Section 1 under Directive 90 (Barkley-Bates subsidy - to assure slaughterers a profit on each species of livestock slaughtered): Cattle, 0.08 cents per pound; calves, 0.08 cents per pound; and sheep and lambs, 0.2 cents per pound for the period July 1, 1945 to October 31, 1945. Section 3 Under Directive 90 (additional subsidies to small slaughterers - those receiving less than $25,000 from RFC in 1945). The payment rates under this provision were: cattle, 0.07 cents per pound; calves 0.07 cents per pound; sheep and lambs, 0.1 cents per pound; and hogs, 0.15 cents per pound for the period April 1, 1945 to October 31, 1945. Section 4 of Directive 90 (Subsidies to assure slaughterers a profit on their operations in 1945). The payment rates were: cattle, 0.07 cents per pound; calves, 0.07 cents per pound; sheep and lambs, 0.1 cents per pound; and hogs, 0.15 cents per pound for the period April 1, 1945, to October 31, 1945. Payments under the provisions of Section 4 were limited to an amount that 1 percent of net sales of a slaughterer exceeded his profit for the fiscal year, before taxes or subsidy figured on the above rates, whichever was the smallest.
Am. 14, RFC Reg. 3 Rev. Issued February 6, 1946 Effective February 16, 1946	Calculation of total live weight by grades to be based upon actual weight if the total calculated live weight exceeds the total actual live weight (less condemnations).

(Continued)

Index and Brief Review of RFC Regulation No. 3 and its Amendments (Continued)
(Subsidy Payments to Slaughterers)

Order and amendments	Principal provisions
Am. 15, RFC Reg. 3 Rev. Issued March 21, 1946 Effective April 1, 1946	Increased amount of subsidy withheld from slaughterers by two-thirds of the dollar amount by which the total cost of cattle is below the maximum permissible cost; the deduction did not exceed two-thirds of the difference between the maximum and minimum permissible costs. Penalties were increased if claims for cattle were above the maximum permissible cost:

If total cattle costs exceed maximum cost by:	Percentage of total supply deducted:
1/4 percent or less	10 percent
1/4 to and including 1%	30 percent
1% to and including 2%	60 percent
Over 2%	100 percent

Order and amendments	Principal provisions
Am. 16, RFC Reg. 3 Rev. Issued April 11, 1946 Effective April 22, 1946	Pursuant to OES Directive No. 104, provision was made to pay subsidies to slaughterers for the period January 26 through March 10, 1946, in compensation for retroactive pay raises for workers in meat-packing plants before ceiling prices on meats were raised to compensate for the higher wages. The amount of the payments was to be determined by the Secretary of Agriculture.
Am. 17, RFC Reg. 3 Rev. Issued April 16, 1946 Effective April 26, 1946	Pursuant to Amendment 5 to OES Directive No. 41, RFC was to withhold subsidies from slaughterers who exceeded their slaughter quotas on certification by the OPA or the Department of Agriculture.

Brief Review of WFO 126 -- Providing Maximum Livestock-Slaughter Payments to Class 2 Slaughterers

Order and amendments	Principal provisions
WFO 126 Issued February 8, 1945 Effective February 9, 1945	Pursuant to OES Directive No. 31, this order provided for the indirect control of noninspected livestock slaughter through restrictions on the amount of subsidy payments which would be made to class-2 slaughterers. Delegated to the Director of Marketing Services authority to determine the base period and restrict percentages in this connection.
WFO 126.1 Issued February 8, 1945 Effective February 9, 1945	Established corresponding accounting period of 1944 as the base period for purposes of the order. Set the following percentages as the maximum amount of subsidy which would be paid: Cattle and Calves 100 % of base quantity Hogs 70 % " " "
WFO 126, Am. 1 Issued February 23, 1945 Effective February 24, 1945	Made necessary modification in wording so as to allow redelegation of administrative authority from the Director to any "employee of the USDA."
WFO 126.2 Issued February 26, 1945 Effective February 27, 1945	Named Administrator and alternate administrator of this regulation. Also authorized the Administrator or alternate to establish and certify to DSC slaughter bases for packers who did not claim subsidy in 1944.
WFO 126.1, Am. 1 Issued February 16, 1945 Effective February 17, 1945	Reduced restriction percentage on subsidy claims from 70% to 50% for hogs; cattle and calves remained unchanged at 100%.
WFO 126.1, Am. 2 Issued April 20, 1945 Effective April 29, 1945	Reduced restriction percentage on subsidy claims for cattle and calves from 100% to 75%; hogs remained unchanged at 50%; sheep and lambs added at 100% rate.
WFO 126, 126.1 and 126.2 Termination Issued May 22, 1945 Effective May 23, 1945	Pursuant to amendment to OES Directive No. 31 transferring authority to restrict noninspected slaughter from WFA to OPA, these orders were terminated. (Control of nonfederally inspected slaughter continued through control order 1 of the OPA which became effective April 30, 1945).

Brief Review of Office of Economic Stabilization Orders and Directives Relating to Grading and Grade Labeling of Meats

Order and amendments	Principal provisions
Regulation 1 Issued August 5, 1943 Effective August 5, 1943	Provided for the official grading and grade labeling of meats by the USDA.
Am. 1, Regulation 1 Issued December 1, 1944 Effective December 1, 1944	Gave specific instructions for labeling meat not graded by a Federal grader.
Am. 2, Regulation 1 Issued Mar. 19, 1945 Effective Mar. 19, 1945	Made technical changes in requirements with respect to grade labeling of beef and veal.
Am. 3, Regulation 1 Issued June 28, 1945 Effective June 28, 1945	Gave specific instructions with respect to grading and grade labeling of farm-slaughtered meat.
Am. 4, Regulation 1 Issued October 24, 1945 Effective November 7, 1945	Required that all cuts of prefabricated or precut frozen fabricated meat be graded and plainly labeled in accordance with Federal regulations for other meats.
Am. 5, Regulation 1 Issued December 6, 1945 Effective December 6, 1945	Provided for the marking of the grade of meat on the can in cases where beef above Cutter and Canner grade and veal, lamb and mutton above Cull grade was used in canned meats.
Revocation Regulation 1 Issued October 15, 1946 Effective October 15, 1946	Revoked Regulation 1 in its entirety.
Directive 131 Issued August 27, 1946 Effective August 27, 1946	Provided that OES Regulation No. 1 regarding grading and grade labeling of meats, issued August 5, 1943 and the delegation of authority to the Price Administrator to enforce Reg. 1, issued September 14, 1943 should be treated as becoming effective September 1, 1946.

Summary of Major Price-Control Regulations for Dressed Hogs and Wholesale Pork Cuts

Order and amendments	Principal provisions
Temporary MPR 8 Issued 3/9/42 Effective 3/23/42	Temporary "freeze" order established highest prices charged by packers in the base period March 3-7, 1942. Customary price differentials based upon type of customer, method of selling, etc., were to be maintained.
Temporary MPR 8 Amendment No. 4 Issued 3/30/42 Effective 3/31/42	Provided alternative method of computing price ceilings based upon sellers' maximum prices during March 3-7, 1942; or during February 23-28, 1942, plus specified price additions ranging from a fourth of a cent to 1-1/2 cents per pound on eight different cured pork products.
Temporary MPR 8 Amendment No. 6 Issued 4/14/42 Effective 4/20/42	Redefined price ceilings as highest prices charged during February 16-20, 1942, plus specified additions ranging from half a cent to 4 cents a pound. This eliminated price mark-ups made before March 3, in anticipation of price ceilings.
MPR 148 Issued 5/20/42 Effective 5/21/42	Replaced temporary regulation No. 8. Provided for the same general level of ceiling prices, but reduced the price premium for products bought by the armed forces and lend-lease from 2 to 1-1/2 cents a pound above domestic market prices. Also provided specified maximum prices for a number of pork products bought by these Government agencies.
Revised MPR 148 Issued 10/22/42 Effective 11/2/42	Specific dollars and cents ceilings set for all major pork cuts and products. Provided specific maximum prices in the Central Zone area (including Iowa and parts of adjoining States) with regional differentials based upon transportation costs to other parts of the country.

(Continued)

Summary of Major Price-Control Regulations for Dressed Hogs and Wholesale Pork Cuts (Continued)

Order and amendments	Principal provisions
Revised MPR 148 Amendment 1 Issued 1/13/43 Effective 1/19/43	Established formula for calculating ceiling prices on dressed hog carcasses where denominator method of pricing is used. Modified specific ceilings on some pork cuts and added some not previously listed.
Revised MPR 148 Amendment 2 Issued 3/6/43 Effective 3/6/43	Prohibited sale of dressed hog carcasses under denominator pricing formula except to persons who obtained at least half of their supplies in 1941 by buying dressed hogs or by cutting up hog carcasses. Provided specific prices on dressed hog carcasses for other buyers. Revised maximum prices of products for purchase by war-procurement agencies. Changed premium on fabricated cuts sold to restaurants from 15 percent to 1 cent per pound.
Revised MPR 148 Amendment 3 Issued 4/10/43 Effective 4/10/43	Permitted increase in maximum prices to include cost of transportation from an area of supply to one in which a critical shortage of meat exists.
Revised MPR 148 Amendment 5 Issued 6/7/43 Effective 6/14/43 6/19/43 6/28/43 7/5/43	Reduced ceiling prices for pork cuts an average of about 2 cents a pound at the wholesale level in line with the rollback of retail meat prices.

Summary of Major Price-Control Regulations for Lard at Wholesale

Order and amendments	Principal provisions
Price Schedule 53 and Revised Price Schedule 53 Issued 12/12/41 Effective 12/13/41	Froze wholesale prices of lard and most fats and oils sold in tank cars, tierces, etc. at highest prices on November 26, 1941. Not applicable to wholesale or retail prices of refined lard. Normal price differentials based on type of customer, method of sale, etc. were to be maintained.
Revised Price Schedule 53 Amendment 1 Issued 12/31/41 Effective 1/2/42	Redefined maximum wholesale prices for unrefined lard to conform with provisions of Emergency Price Control Act at the highest prices on October 1, 1941, or 111 percent of the November 26, 1941, price.
Revised Price Schedule 53 Amendment 2 Issued 2/3/42 Effective 2/4/42	Provided for an upward adjustment in ceilings on lard by the following additions to previously determined ceilings: Cash lard, 1.395 cents per pound; loose lard, 0.675 cents per pound; and leaf lard, 0.49 cents per pound.
GMPR Issued 4/28/42 Effective 5/11/42	General Maximum Price Regulation covering a large number of commodities, set ceilings on refined lard at highest prices during March 1942.
Revised Price Schedule 53 Amendment 3 Issued 6/2/42 Effective 6/8/42	Redefined maximum wholesale prices for lard in order to reestablish a more normal relationship between prices of the several kinds produced. Refined lard prices set at highest February 1942, level; specific dollars and cents ceilings set for unrefined lard as follows: Loose lard, Chicago, 11.90 cents per pound; cash lard, Chicago, 12.90 cents per pound.
Revised Price Schedule 53 Amendment 10 Issued 10/7/42 Effective 10/13/42	Established specific dollars and cents ceiling prices for lard at specified basing points with regional differentials based upon transportation costs. The revised ceilings were designed to eliminate inequities between regions and sellers which existed under previous regulations. In the Chicago area, wholesale price ceilings on lard were raised approximately 1 cent a pound.

Summary of Price-Control Regulations for Beef and Veal at Wholesale

Order and amendments	Principal provisions
GMPR Issued 4/28/42 Effective 5/11/42	General "freeze" order for a large list of commodities not previously under regulation. Ceilings for each seller defined as highest price at which he sold the commodity during the base period. (March 1942). Price differentials based upon quality, type of customer, etc. were expected to be maintained.
MPR 156 Issued 6/2/42 Effective 6/2/42	Established specific dollars and cents price ceilings for beef products bought by armed forces and for lend-lease.
MPR 169 Issued 6/19/42 Effective 7/13/42	Ceilings set at highest prices (after adjustment) during 2 weeks March 16-28, 1942. Provided formula for eliminating high 30 percent of sales from sellers' base-period prices. Established ceilings by grades for carcass beef with provision that ceilings for beef quarters could not exceed comparable whole carcass ceiling, and ceilings for wholesale beef cuts could not exceed comparable carcass ceiling by more than $1.00 per cwt. Zone system for car-route sales provided for. Special provision for purchases by Government institutions other than FSCC or armed forces.
MPR 169, Am. 1 Issued 7/7/42 Effective 7/13/42	Provision for preventing evasion through custom slaughtering. Sellers who did not sell carcass or quarter beef during base period not required to adjust ceilings to whole carcass level as provided above. Revised method of calculating car-route ceilings. Specified that sales made after July 13 to FSCC and Armed Forces were subject to MPR 169.
MPR 169, Am. 2 Issued 7/13/42 Effective 7/13/42	Postponed effective date of some items under MPR 169 1 week - to July 20, 1942. Provision made for packers to calculate ceilings for kosher, hotel, and restaurant trade separately from other sales when more than half of such sales were of this type.

Summary of Price-Control Regulations for Beef and Veal at Wholesale (Continued)

Order and amendments	Principal provisions
MPR 169, Am. 4 Issued 8/21/42 Effective 8/21/42	Permitted addition of special-service costs to ceiling prices for sales of carcass and wholesale beef to FSCC and armed forces.
MPR 169, Am. 5 Issued 9/15/42 Effective 9/18/42	Steps taken to enforce more rigid grading and required all Choice beef and veal to be officially graded, with some exemptions.
MPR 169, Am. 6 Issued 9/29/42 Effective 10/1/42	Eliminated a few high ceilings by establishing absolute maximum prices above which individual sellers' ceilings could not be set under MPR 169 as amended. These maximum ceilings were as follows: Steer and heifer AA 23cents per lb. A 21-1/2 " " B 20 " " C 18-1/2 " " Cow A 19-1/2 " " B 18-1/2 " " C 17-1/2 " " Steers, heifers, cows, Cutter and Canner 16-1/2 " " Packers having lower ceilings were not allowed to raise their maximum prices to these levels, however.
Revised MPR 169 Issued 12/10/42 Effective 12/16/42	Provided specific dollars-and-cents ceilings for dressed-carcass beef and wholesale beef cuts, by grades and regions. Required all beef and veal to be officially graded except Canner and Cutter beef and Cull veal.
Revised MPR 169, Am. 4 Issued 3/30/43 Effective 4/3/43	Established specific dollars-and-cents ceilings for veal by grades and zones similar to those already in effect for beef. Required Canner and Cutter beef and Cull veal to be graded by official graders.

Summary of Price-Control Regulations for Beef and Veal at Wholesale (Continued)

Order and amendments	Principal provisions
Revised MPR 169, Am. 5 Issued 4/10/43 Effective 4/10/43	Provided for temporary regional adjustment in ceiling prices for beef and veal to cover cost of shipment from surplus-producing areas into regions where critical shortages existed.
Revised MPR 169, Am. 6 Issued 4/12/43 Effective 4/14/43	Made some adjustments on maximum prices of beef carcasses and wholesale cuts. Introduced dollars-and-cents ceiling prices on miscellaneous beef products such as corned-beef brisket, corned-beef plate and dried-beef items left under the "freeze" when specific prices were established in December 1942.
Revised MPR 169, Am. 12 Issued 5/26/43 Effective 6/1/43	Established specific ceiling prices for fabricated cuts of beef and veal for sale to hotels, restaurants, etc. at a somewhat lower level than previously allowed; restricted sales of such cuts to 70 percent of the Sept. 15-Dec. 15, 1942 volume; made some adjustments in wholesale prices of veal.
Revised MPR No. 169, Am. 15 Issued 6/7/43 Effective 6/14/43 6/19/43 6/28/43 7/5/43	Reduced ceiling prices of carcass beef and veal, wholesale cuts and processed items at the packer and wholesale level and average of 2 cents a pound in line with the roll-back of retail meat prices.
Revised MPR No. 169, Am. 26 Issued 8/16/43 Effective 8/16/43	Specifically prohibits use of retail "kick-backs" to packers or wholesalers or any other device for which such persons receive above-ceiling prices.

Summary of Major Price-Control Regulations for Lamb and Mutton at Wholesale

Order and amendments	Principal provisions
Temporary MPR 20 Issued 8/1/42 Effective 8/10/42	Temporary 60-day freeze order establishing maximum wholesale and retail prices for lamb carcasses and cuts at highest prices charged during July 27-31, 1942.
MPR 239 Issued 10/8/42 Effective 10/8/42	Replaced temporary regulation No. 20 with but minor changes.
Temporary MPR 22 Issued 10/3/42 Effective 10/5/42	Temporary 60-day "freeze" order establishing maximum wholesale and retail prices for a number of commodities, including mutton, previously exempt from price-control action under the Emergency Price Control Act at highest selling prices during September 28-October 2, 1942.
Revised MPR 239 Issued 12/18/42 Effective 12/23/42	Provided specific dollars-and-cents ceilings on dressed sheep and lamb carcasses and wholesale cuts, by grades and by regions.
Revised MPR 239, Am. 2 Issued 4/10/43 Effective 4/10/43	Permitted increases in maximum prices to include cost of transportation from an area of supply to an area in which a critical shortage existed.
Revised MPR 239, Am. 3 Issued 4/10/43 Effective 4/14/43	Required Government grading of all lamb and mutton carcasses sold by packers and wholesalers.
Revised MPR 239, Am. 4 Issued 6/7/43 Effective 6/14/43 6/19/43 6/28/43 7/5/43	Reduced ceiling prices for wholesale cuts and dressed carcasses of lamb and mutton at the packer and wholesale level in line with the roll-back of retail meat prices.

Summary of Principal Provisions and Amendments to OPA Meat Restriction Order No. 1

Order and dates	Principal provisions
Meat Restriction Order 1 Issued 10/1/42 Effective 10/1/42	Limited deliveries to civilians during periods, October 1, 1942-December 31, 1942, and January 1, 1943-March 31, 1943, by those who slaughtered more than 500,000 pounds in a quarter to the following percentages of such deliveries in the same periods of 1941; beef, 80%; pork, 75%; lamb and mutton, 95%; and veal, 100%. Limited other slaughterers to their 1941 deliveries. Listed conversion factors for obtaining dressed weights of carcasses.
Amendment 1 Issued 10/1/42 Effective 10/1/42	Corrected typographical errors in the order. Corrected data for registration of slaughterers to November 15, 1942, and clarified meaning of terms.
Amendment 2 Issued 10/20/42 Effective 10/20/42	Directed slaughterers to list their purchases of meats from other slaughterers during 1941 and to notify sellers of the purchases claimed.
Amendment 3 Issued 11/9/42 Effective 11/7/42	Established quota periods by quarters, from October 1, 1942, to September 30, 1943, with their corresponding base periods in 1941. Modified yield percentages to be used in computing the dressed weight of hogs.
Amendment 4 Issued 11/9/42 Effective 11/7/42	Reduced deliveries of beef for civilian use for the period, October 1, 1942 - December 31, 1942, from 80 to 70 percent of the deliveries of the corresponding quarter of 1941.
Amendment 5 Issued 11/19/42	Provided for extension of time for filing a registration statement, if good cause was shown.
Amendment 6 Issued 12/7/42 Effective 12/12/42	Required nonquota slaughterers -- operators who killed less than 500,000 pounds per quarter - making exempt deliveries to obtain certification of delivery or other documentary proof, after December 12.

Summary of Principal Provisions and Amendments to OPA Meat Restriction Order No. 1 (Continued)

Order and dates	Principal provisions
Amendment 7 Issued 12/7/42 Effective 12/12/42	Provided that deliveries to members of Armed Forces being trained at colleges not be taken from civilian meat quotas.
Amendment 8 Issued 12/17/42 Effective Same Date	Released from 5 to 10 million pounds of beef which was in storage on October 1, as part of the general civilian beef quota for the period October 1, 1942-December 31, 1942.
Amendment 9 Issued 12/18/42 Effective Same Date	Provided relief to local shortage situations over holidays by authorizing deliveries of not more than 10 percent of the new first-quarter quotas between December 20 and December 31, 1942. Limited deliveries to civilians during the first quarter of 1943 to the following percentages of the first quarter of 1941: beef, pork, veal, 70 percent each; lamb and mutton, 75 percent.
Amendment 10 Issued 1/8/43 Effective 1/14/43	Provided for the routing of controlled meat supplies to quota-exempt purchasers through any number of distributors.
Amendment 11 Issued 1/18/43 Effective 1/23/43	Revised some conversion factors and included factors to cover additional cuts.
Amendment 12 Issued 1/27/43 Effective 2/2/43	Removed restrictions on the amount of controlled meat which Government-operated asylums, orphanages, prisons and hospitals could slaughter and serve to patients or inmates.

Brief Review of FDO 27 and Its Amendments
(Slaughter Controls for Nonfederally Inspected Slaughterers)

Order and dates	Principal provisions
FDO 27 Issued March 5, 1943 Effective April 1, 1943	Required local slaughterers and butchers to obtain slaughter permits and to stamp their permit number upon each wholesale cut, restricted slaughter and meat deliveries to 100% of their 1941 volume, which constituted their quota base.
Am. 1, to FDO 27 Issued April 1, 1943 Effective April 1, 1943	Authorized USDA War Boards to grant temporary permits and quota bases to those who did not have 1941 slaughter bases but who were otherwise qualified.
Am. 2 to FDO 27 Issued April 30, 1943 Effective April 30, 1943	Suspended for the month of May all temporary beef-quota bases and increases in quota bases granted to local slaughterers and butchers. Reduced May beef quota for local slaughterers 80% of their quota bases.
DFDO 27.1 Issued May 27, 1943 Effective May 29, 1943	Established forms and procedure for local slaughterers and butchers to make reports to the Food Distribution Administration of their monthly slaughter.
DFDO 27.2 Issued May 27, 1943 Effective June 1, 1943	Established monthly meat quotas for local slaughter for June and until changed at 80 percent of their quota base (corresponding period of 1941).
Am. 3 to FDO 27 Issued June 9, 1943 Effective June 9, 1943	Butchers' June beef quota continued at 100% of their quota bases.
Am. 4 to FDO 27 Issued June 25, 1943 Effective June 30, 1943	Provided for the licensing of killers doing custom slaughtering. Established butchers quotas indefinitely at 100% of corresponding period in 1941.

Brief Review of FDO 27 and Its Amendments
(Slaughter Controls for Nonfederally Inspected Slaughterers) (Continued)

Order and dates	Principal provisions
DFDO 27.3 Issued June 25, 1943 Effective June 30, 1943	Required local slaughterers and butchers to substantiate their quota bases with definite records of their 1941 business.
Am. 1 DFDO 27.2 Issued June 30, 1943 Effective July 1, 1943	Increased local slaughterers' pork quota from 80 to 85 percent of July 1941.
Am. 2 DFDO 27.2 Issued July 13, 1943 Effective July 14, 1943	Increased July lamb, mutton, and veal quotas of local slaughterers in California, Oregon, and Washington from 80 to 100 percent.
FDO 75.1 Issued August 12, 1943 Effective August 15, 1943	Replaced FDO 27. Established local slaughterers' and butchers' quotas after August as follows: Beef, 85%; veal, 85%; lamb and mutton, 90%; pork, 90%.

Brief Review of WFO 75 and Its Amendments

Order and amendments	Principal provisions
FDO 75 Issued August 9, 1943 Effective August 15, 1943.	Combined into one order FDO 61 (slaughter-restriction order) FDO 27 (local slaughterer-and butcher-permit order). This order also made provision for the set-aside orders (WFO 75.2 and 75.3) and made mandatory the payment of support prices for hogs.
Am. 1, FDO 75 Issued October 25, 1943 Effective October 30, 1943	Removed restrictions on farm slaughter of livestock for home consumption.
Am. 2, FDO 75 Issued November 16, 1943 Effective November 17, 1943	To help in handling large hog supply, removed for 90 days (November 17, 1943 to February 17, 1944) restrictions on pounds of farm-slaughtered pork and lard farmers could sell. (Farmers still required to collect ration points, however).

(Continued)

Brief Review of WFO 75 and Its Amendments (Continued)

Order and amendments	Principal provisions
Am. 3, FDO 75 Issued November 18, 1943 Effective November 19, 1943	Established hog-support prices at markets other than Chicago as follows: (1) Until Nov. 29, 1943, Chicago plus or minus normal price differentials; (2) After November 29 OPA ceiling prices less $1.00 per cwt.
Am. 4, FDO 75 Issued December 1, 1943 Effective November 30, 1943	Made support price at West Fargo, N. Dak. $13.00 (instead of $13.25 as determined under Am. 3) for the 7-day period ending December 7. Action taken to relieve special problem at that market.
Am. 5, FDO 75 Issued December 2, 1943 Effective December 2, 1943	Made adjustments in support prices at a number of markets to be effective through December 31, 1943.
Am. 6, FDO 75 Issued December 6, 1943 Effective December 6, 1943	Made further adjustments in support prices for hogs at various markets through December 31, 1943.
Am. 7, FDO 75 Issued December 15, 1943 Effective December 15, 1943	Made $1.50 adjustment in support prices for soft and oily hogs.
Am. 8, FDO 75 Issued December 21, 1943 Effective December 23, 1943	Broadened weight range on which support prices were applicable from 200-270 to 200-300 pounds.
Am. 9, FDO 75 Issued December 31, 1943 Effective January 1, 1944	Made more or less permanent adjustments in support prices for hogs at various markets. (Am. 6 expired Dec. 31). Provided that at any market other than those specified in this amendment, the support price should be $1.00 per cwt., below the maximum price in effect at such market on Nov. 29, 1943, under regulations of the OPA. Also provided that Class 1 & Class 2 slaughterers should pay not more than OPA ceiling prices.
Am. 10, FDO 75 Issued January 24, 1944 Effective January 27, 1944	Broadened weight range for which support prices were applicable from 200-300 to 200-330 pounds.

Brief Review of WFO 75 and Its Amendments (Continued)

Order and amendments	Principal provisions
Am. 11, FDO 75 Issued February 3, 1944 Effective February 4, 1944	Extended period during which farmers could slaughter hogs and sell unlimited quantities of pork and lard without a license or permit until March 17, 1944.
Am. 12, FDO 75 Issued March 16, 1944 Effective March 17, 1944	Extended indefinitely the removal of restrictions on the slaughter of hogs and sale of pork and lard by farmers.
Am. 13, FDO 75 Issued March 18, 1944 Effective April 15, 1944	Narrowed weight range to which support prices were applicable from 200-330 back to 200-270 pounds, thus terminating temporary emergency support program on hogs weighing 270 to 330 pounds.
Am. 14, WFO 75 Issued May 8, 1944 Effective May 15, 1944	Widened weight range to which support prices applicable from 200-270 to 180-270 pounds.
Am. 15, WFO 75 Issued May 25, 1944 Effective May 25, 1944	Broadened the indefinite suspension of restrictions on the sale of farm-slaughtered meats to include all species. (Pork and lard were exempted by Am. No. 12).
Am. 16, WFO 75 Issued August 16, 1944 Effective August 17, 1944	Deleted provisions making collection of ration points and observing ceiling prices a part of the order.
Am. 17, WFO 75 Issued September 29, 1944 Effective October 1, 1944	Narrowed weight range to which support prices applicable on hogs from 180-270 to 200-240 pounds and reduced the support price at Chicago to $12.50 per cwt.
Am. 18, WFO 75 Issued November 25, 1944 Effective November 26, 1944	Provided support prices for Good and Choice Butchers 200-270 pounds: (1) Chicago $12.50 (2) Other markets $2.25 under OPA ceilings on hogs weighing not over 270 pounds in effect November 15, 1944.

Brief Review of WFO 75 and Its Amendments (Continued)

Order and amendments	Principal provisions
Am. 19, WFO 75 Issued December 30, 1944 Effective January 1, 1945	Changed sections in which "Director of Food Distribution" is mentioned to "Director of Marketing Services." This and similar changes in other orders were made in conjunction with reorganization of WFA.
Am. 20, WFO 75 Issued Jan. 22, 1945 Effective Jan. 24, 1945	Provided for the tightening up of the issuing of slaughter licenses to assure proper use of slaughter facilities for war meat requirements.
Administrative Ruling Issued January 30, 1945 Effective January 30, 1945	Specifically precluded federally inspected plants from slaughtering for an individual who did not hold a class 1 license.

Brief Review of WFO-75.1 and Its Amendments

Order and amendments	Principal provisions
FDO 75.1 Issued August 12, 1943 Effective August 15, 1943	FDO 75.1, a companion order to FDO 75, contained such features as definitions of Governmental agencies, classes of slaughterers, conversion factors, etc. Also contained percentages of quota-base slaughterers allowed to deliver into civilian trade channels.
Am. 1, FDO 75.1 Issued August 31, 1943 Effective September 1, 1943	Made changes in conversion factors and granted a slight increase in slaughterers' quota for September.
Partial Suspension Order Issued September 1, 1943 Effective September 1, 1943	Suspended for 2 months all quota limitations on slaughter of livestock.
Partial Suspension Order Issued October 26, 1943 Effective November 1, 1943	Extended for another month suspension of quota limitations on slaughter of livestock.

Brief Review of WFO-75.1 and Its Amendments (Continued)

Order and amendments	Principal provisions
Partial Suspension Order Issued November 23, 1943 Effective November 23, 1943	Extended indefinitely suspension of quota limitations on slaughter of livestock
Am. 2, WFO 75.1 Issued May 27, 1944 Effective May 27, 1944	Made it unnecessary for class 3 slaughterers (farmers) to stamp or tag their slaughter-permit number on farm-slaughtered meat.
Am. 3, WFO 75.1 Issued July 17, 1944 Effective July 18, 1944	In connection with realignment of administrative jurisdiction, reporting and communications under the order henceforth to be made to the Meat Order representative rather than to the Regional WFA Director.
Am. 4, WFO 75.1 Issued August 10, 1944 Effective August 10, 1944	Removed OPA price violations as reason for suspension of license.
Am. 5, WFO 75.1 Issued December 5, 1944 Effective December 6, 1944	Made conversion factor on grade D boneless beef 1.45.
Am. 6, WFO 75.1 Issued January 6, 1945 Effective January 7, 1945	Made conversion factor on canned beef and gravy 2.28.
Termination WFO 75.1 Issued April 27, 1945 Effective April 29, 1945	Terminated the order as amended.

Brief Review of Control Order 1 and Its Amendments

Regulation and date	Principal provisions
Control Order No. 1 Issued April 25, 1945 Effective April 30, 1945	Pursuant to OWMR Directive of March 16 and in conformity with the delegation of authority contained in WFO 123, Am. 1, this order established the basis for restricting the volume of noninspected slaughter to certain percentages of slaughter in the corresponding month of 1944.

Brief Review of Control Order 1 and Its Amendments (Continued)

Regulation and date	Principal provisions
Control Order No. 1 Supplement 1 Issued April 28, 1945 Effective April 30, 1945	Listed following quota percentages for May accounting period: Cattle 75 percent Calves 75 percent Sheep & Lambs 100 percent Hogs 50 percent Also gave conversion factors for use in determining live-weight equivalent of dressed weights.
Control Order No. 1 Amendment 1 Issued May 3, 1945 Effective May 3, 1945	Revised wording of section 5 to eliminate conflict of provisions with respect to class 1 slaughterers as defined in WFO 75.
Control Order No. 1 Amendment 2 Issued May 11, 1945 Effective May 11, 1945	Permitted persons without quota bases to slaughter 4-H club livestock.
Control Order No. 1 Supplement 2 Issued May 16, 1945 Effective May 17, 1945	Pursuant to the transfer to OPA of the authority to restrict subsidy payments, formerly exercised by WFA, this supplement, in effect, contained the provisions of WFO 126, listing the same percentages given in Supplement 1 for the May accounting period.
Control Order No. 1 Amendment 3 Issued May 19, 1945 Effective May 19, 1945	Permitted packers with quota bases adjusted by WFO 126 to use these adjusted bases during the months May and June, that is, until OPA could officially establish the quota bases, for each class 2 packer.
Control Order No. 1 Amendment 4 Issued May 19, 1945 Effective May 19, 1945	Provided for the <u>reduction or cancellation</u> of quota bases wherever OPA found that a class 2 slaughterer failed to surrender <u>some or any</u> of the ration points required to be surrendered during any three accounting periods after January 1, 1944.

Brief Review of Control Order 1 and Its Amendments (Continued

Regulation and date	Principal provisions
Control Order 1 Amendment 5 Issued May 26, 1945 Effective May 26, 1945	Allowed class 2 slaughterers to borrow up to 20% of their June slaughter quotas, as an emergency measure when May quotas had been exhausted and such borrowing was necessary to avoid closing plant. Also restricted each week's kill within a quota period to not more than 125 percent of the average weekly quota for the period.
Control Order 1 Amendment 6 Issued June 2, 1945 Effective June 4, 1945	Provided for monthly slaughter reports (in duplicate) from each class 2 slaughterer to be filed within 30 days after the close of each accounting period.
Control Order 1 Amendment 7 Issued June 2, 1945 Effective June 4, 1945	Provided procedure and formula whereby institutional users could claim from slaughterers approximately the same share of their output as was delivered to those users in March-April 1944.
Control Order 1 Amendment 8 Issued June 2, 1945 Effective June 17, 1945	Added section 23, referred to as the "Fair Distribution Order," which required class 1 and class 2 slaughterers to distribute their civilian meat supply area-wise in the same proportions as they did in January-March, 1944.
Control Order 1 Amendment 9 Issued June 29, 1945 Effective July 3, 1945	Permitted hospitals, prisons, etc., which were class 2 slaughterers to apply for quota adjustments, allowing them to obtain the same proportion of their meat needs from their own livestock as they did in 1944.
Control Order 1 Amendment 10 Issued June 29, 1945 Effective July 3, 1945	Provided definition of wholesale cuts consistent with the term as used in the various meat price orders; required each class 2 and class 3 slaughterer to mark his OPA slaughter license number upon each wholesale cut.

Brief Review of Control Order 1 and Its Amendments (Continued)

Regulation and date	Principal provisions
Control Order 1 Amendment 11 Issued June 27, 1945 Effective June 17, 1945	Broadened definition of meat as used in the "fair-distribution" section of the order.
Control Order 1 Amendment 12 Issued June 30, 1945 Effective July 1, 1945	Extended the date by which class 2 (farm slaughterers) must register with OPA from July 1 to October 14, 1945.
Amendment 1 to Supplements 1 and 2 Issued June 30, 1945 Effective July 1, 1945	Set slaughter and subsidy restrictions as follows: (1) For quota periods beginning on or after April 30, 1945: Cattle 75 percent Calves 75 percent Sheep 100 percent Hogs 50 percent (2) For quota periods beginning on or after July 1, 1945: Cattle 85 percent Calves 75 percent Sheep 110 percent Hogs 50 percent
Control Order 1 Amendment 13 Issued July 14, 1945 Effective July 15, 1945	Provided formula by which individual packers could adjust their distribution pattern for shifts in population since the base period (Jan.-Mar. 1944).
Control Order 1 Amendment 14 Issued July 28, 1945 Effective July 29, 1945	Provided formula designed to discourage slaughterers from acquiring retail, wholesale, or processing establishments and vice versa.
Amendment 2 to Supplements 1 and 2 Issued August 3, 1945 Effective August 1, 1945	Set slaughter and subsidy restrictions for quota periods beginning on or after August 1 as follows: Cattle 100 percent Calves 75 percent Sheep 110 percent Hogs 50 percent

Brief Review of Control Order 1 and Its Amendments (Continued)

Regulation and date	Principal provisions
Control Order 1 Amendment 15 Issued August 10, 1945 Effective August 10, 1945	Provided for the release of class 2 slaughterers from restrictions upon obtaining certification under WFO 139.
Control Order 1 Amendment 16 Issued August 18, 1945 Effective August 22, 1945	Allowed packers who operated more than one establishment to treat these establishments as a single group for purposes of the "fair-distribution" amendment.
Amendment 3 to Supplements 1 and 2 Issued August 18, 1945 Effective July 29, 1945	Changed beginning date of August accounting period covered in Amendment 2 from August 1 to July 29.
Control Order 1 Amendment 17 Issued August 20, 1945 Effective August 24, 1945	Provided for the reduction or cancellation of quotas of class 2 and class 3 slaughterers against whom there was an Administrative Suspension Order.
Control Order 1 Amendment 18 Issued August 20, 1945 Effective August 24, 1945	Whereas class 2 slaughterers previously were required to spread their quota over the weeks of the accounting period (Am. 5) this amendment allowed them to carry over from one week to the next the unused portion of the preceding week's quota.
Control Order 1 Amendment 19 Issued August 20, 1945 Effective August 24, 1945	Required class 2 slaughterers to report their monthly slaughter (head as well as weight) within 15 (instead of 30) days after the end of the quota period.
Amendment 4 to Supplements 1 and 2 Issued August 25, 1945 Effective August 26, 1945	Set slaughter and subsidy restrictions for quota periods beginning on and after August 26 as follows: Cattle 125 percent Calves 100 percent Sheep 110 percent Hogs 65 percent
Control Order 1 Amendment 20 Issued September 1, 1945 Effective September 5, 1945	Clarified definition of a class 3 slaughterer.

Brief Review of Control Order 1 and Its Amendments (Continued)

Regulation and date	Principal provisions
Suspension Control Order 1 Issued September 8, 1945 Effective September 8, 1945	Suspended Control Order No. 1 as amended.

LITERATURE CITED

(1) Bjorka, Knute.
1947. Marketing Margins and Costs for Livestock and Meat. U. S. Dept. Agr. Tech. Bul. 932, 102 pp., illus.

(2) Cooper, M. O.
1947. USDA Ends Its Purchases of Utility Draft Animals. U. S. Prod. & Marketing Admin. Marketing Activities January 1947.

(3) Corn Belt Livestock Marketing Research Committee.
1942. Marketing Livestock in the Corn Belt Region. S. Dak. Agr. Expt. Sta. Bul. 365, 198 pp., illus. Brookings.

(4) International Emergency Food Council.
1947. Report of the Secretary-General to the Third Meeting of the Council. . . 71 pp. Food and Agr. Organization of The U. N., Washington D. C.

(5) Klein, John W.
1948. Wool During World War II. U. S. Bur. Agr. Econ. War Records Monog. 7, 104 pp. [Processed]

(6) Peterson, Arthur G.
1941. Price Administration, Priorities, and Conservation of Supplies Affecting Agriculture in the United States, in 1917-18. U. S. Bur. Agr. Econ. Agr. Hist. Ser. 3, 16 pp. [Processed]

(7) Russell, Judith, and Fantin, Renee.
1947. Studies in Food Rationing. Off. Price Admin. 404 pp. (Historical Reports on War Admin. . . General Pub. 13)

(8) Shields, Robert H.
1944. Federal Statutory Provisions Relating to Price Support for Agricultural Commodities. . . Talk before. . . Regional attorneys of War Food Administration and U. S. Department of Agriculture. . . August 16. . . Denver, Colo. 21 pp. Washington, D. C. [Processed]

(9) United States Army Office of The Quartermaster General, Army Service Forces.
Rations and Supplements. U. S. Army Quartermaster Corps Manual OMC 17-3. Washington, D. C.

(10) United States Bureau of Agricultural Economics.
1949. Livestock and Meat Situation, June 1949. Washington, D. C. [Processed]

(11) United States Bureau of Agricultural Economics.
1945. National Food Situation, December 1945. Washington, D. C. [Processed]

(12) United States Congress. Senate, Committee on Agriculture and Forestry.
1947. To Establish a Farm Price Support Program. Hearings. . . January 23, 1947. 65 pp. Washington, U. S. Govt. Print. Off.

(13) United States Department of Agriculture.
1942-1947. Agricultural Statistics, 1942, 1946-1947. Washington, D. C.

(14) United States Food Distribution Administration.
1943. Annual Report of the Director. 124 pp. Washington, U. S. Govt. Print. Off.

(15) United States Food Distribution Administration.
1943. Featherweight Food. 11 pp. Washington, D. C. [Processed]

(16) United States Laws, Statutes, etc.
1947-1950. Inspection of Meat and Meat Products; Examination of Cattle before Slaughtering. . . U. S. Laws, Statutes, etc. United States Code 1946, v. 2, title 21, par. 71, p. 2213; Sup. 3, v. 1, title 21, par. 71, p. 791.

(17) United States Laws, Statutes, etc.
1875-1948. The Statutes at Large of the United States. 1789 to date. Washington, Govt. Print. Off.

(18) United States National Archives.
1936-1950. Federal Register. v. 1 - date. Washington, D. C.

(19) United States, Production and Marketing Administration, Livestock Branch.
1945-1949. Livestock, Meats, and Wool Market Statistics and Related Data. 1945-1949. Washington, D. C. [Processed]

(20) United States, Production and Marketing Administration, Livestock Branch.
1948. Meat Supply and Distribution by Quarter Years, United States, 1941-47. 66 pp. Washington, D. C. [Processed]

(21) United States, Production and Marketing Administration, Livestock Branch.
1947. Nonfederally Inspected Slaughter Reported under War Food Order No. 75. 43 pp. Washington, D. C. [Processed]

(22) United States Production and Marketing Administration, Livestock Branch.
1946. Restriction Orders Pertaining to Meat Deliveries and Livestock Slaughter Programs Administered by the Livestock Branch, 1943-46. 24 pp. Washington, D. C. [Processed]

(23) United States Production and Marketing Administration, Livestock Branch.
1946. Set-Aside Orders Administered by the Livestock Branch 1943-46. Washington, D. C. [Processed]